ROYAL COLLEGE OF SURGEONS OF ENGLAND

England & Wales · Charity number 212808

Details

Status	Registered
Legal form	Other
Registered	1963-03-15
Register	View on the Charity Commission register

Contact

Address	Royal College Of Surgeons Of England 38-43 Lincoln's Inn Fields London WC2A 3PE
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Email	chiefexecutive@rcseng.ac.uk
Website	www.rcseng.ac.uk

Activities

Objects: THE PROMOTION AND ENCOURAGEMENT OF THE STUDY AND PRACTICE OF THE ART AND SCIENCE OF SURGERY.

Activities: The College is involved in a wide range of activities that influence and support the professional development of surgeons and the delivery of surgical services. These activities include monitoring the progress of trainees; running examinations for trainees; running courses for surgeons throughout their career; and awarding research fellowships.

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

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Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£43,722,000	£43,790,000	£144,322,000	291
2024-06-30	£35,134,000	£35,221,000	£145,164,000	262
2023-06-30	£33,545,000	£36,109,000	£135,034,000	239
2022-06-30	£28,084,000	£34,446,000	£137,487,000	226
2021-06-30	£26,920,000	£29,565,000	£145,091,000	225

Trustees

Name	Role	Appointed
Dr Charlotte Eckhardt		2023-06-20
Frank Smith		2024-07-09
Ginny Bowbrick		2025-06-12
Joanna Kirby		2023-07-27
Professor Andrew Carr		2024-07-11
Professor Farah Bhatti		2023-06-08
Professor Peter J Friend		2021-07-08
Professor Vivien C Lees		2021-07-08
ROBERT GREIG		2020-07-23
Simon Davis		2021-10-01
TIMOTHY EDWARD MITCHELL		2020-07-09
Vanessa Leung		2025-07-01

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Linked charities

- ANDERSON REID FUND (212808-1)
- ARRIS BEQUEST (212808-10)
- BERKELEY GEORGE ANDREW BARON MOYNIHAN (212808-11)
- DR MATTHEW BAILLIE TRUST (212808-12)
- ERASMUS WILSON LECTURE FUND (212808-13)
- BUCKSTON BROWNE GIFT (212808-14)
- BERNHARD BARON RESEARCH PROFESSORSHIP (212808-15)
- NUFFIELD RESEARCH CHAIR OF DENTAL SCIENCE (212808-16)
- THE BRITISH OXYGEN CHAIR OF ANAESTHESIA (212808-17)
- WALKER PRIZE (212808-18)
- CARTWRIGHT MEDAL (212808-19)
- ARMY MEDICAL WAR COLLECTION FUND (212808-2)
- BEGLEY PRIZE (212808-20)
- CECIL JOLL PRIZE (212808-21)
- JAMES BERRY PRIZE (212808-22)
- HANDCOCK PRIZE (212808-23)
- LADY CADE MEDAL (212808-24)
- MACLOGHLIN SCHOLARSHIPS (212808-25)
- JOHN TOMES PRIZE (212808-26)
- HALLETT PRIZE (212808-27)
- BLANE MEDALS (212808-28)
- TUDOR-EDWARDS FELLOWSHIP (212808-29)
- BEQUEST OF JAMES WILLIAM GROVES (212808-3)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND CANCER RESEARCH ENDOWED FUND (212808-30)
- SIR CHARLES BLICKE BEQUEST (212808-31)
- CLEMENT PRICE THOMAS AWARD (212808-32)
- VICTOR BONNEY TRUST FUND (212808-33)
- THE PENROSE-MAY TUTORIAL FUND (212808-34)
- J MENZIES CAMPBELL LECTURE FUND (212808-35)
- HAROLD BRIDGES FELLOWSHIP FOR SURGICAL RESEARCH (212808-36)
- FREDERIC FRANCOIS BURGHARD BEQUEST (212808-37)
- BESSIE LOUISA HERBERT ASTHMA RESEARCH FUND (212808-38)
- KATE WEEKS FUND (212808-39)

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- MACRAE-WEBB-JOHNSON FUND (212808-4)
- SARAH JANE TRACEY FUND (212808-40)
- DUDLEY BUXTON PRIZE (212808-41)
- PROPHIT TRUST (212808-42)
- HENRY CLINE TRUST (212808-43)
- LAMING EVANS FELLOWSHIP (212808-44)
- SIR WILLIAM COLLINS FUND (PATHOLOGY) (212808-45)
- SIR WILLIAM COLLINS FUND (ANATOMY) (212808-46)
- SIR WILLIAM COLLINS FUND (SCIENTIFIC DEPARTMENTS) (212808-47)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND BIOCHEMICAL RESEARCH FUND (212808-48)
- VANDERVELL CHAIR OF PHARMACOLOGY (212808-49)
- JOHN GALES ANNUITY (212808-5)
- SIR ARTHUR SIMS COMMONWEALTH TRAVELLING PROFESSORSHIP (212808-50)
- JOSEPH HENRY LECTURE (212808-51)
- GORDON WATSON LECTURE (212808-52)
- EDRIDGE-GREEN LECTURE (212808-53)
- EVAN LAMING EVANS TRUST (212808-54)
- RESEARCH CHAIR IN OPTHALMOLOGY (212808-55)
- SIR WILLIAM LISTER AWARD IN OPTHALMOLOGY (212808-56)
- F R MOSER TRUST (212808-57)
- FACULTY OF ANAESTHETISTS NUFFIELD FUND (212808-58)
- FACULTY OF ANAESTHETISTS FOUNDATION FUND (212808-59)
- JAMES ARNOTT BEQUEST (212808-6)
- THE ROYAL COLLEGE OF ENGLAND FACULTY OF DENTAL SURGERY COMMEMORATION ENDOWMENT FUND (212808-60)
- SIR ARTHUR SIMS FUND (212808-61)
- MITCHINER MEDAL FUND (212808-62)
- GORDON-TAYLOR MEMORIAL LECTURE FUND (212808-63)
- BERNARD JOHNSON MEMORIAL FUND (FACULTY OF ANAESTHETISTS) (212808-64)
- ROBERT JONES NATIONAL MEMORIAL (212808-65)
- SIR CHARLES TOMES BEQUEST (212808-66)
- FREDERICK HEWITT LECTURE FUND (212808-67)
- WATSON-JONES LECTURE (212808-68)
- JACKSONIAN PRIZE (212808-69)
- LISTER MEMORIAL FUND (212808-7)

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- SIR HENRY MORRIS STUDENTSHIP (212808-70)
- WILLIAM THELWALLTHOMAS BEQUEST (212808-71)
- MOYNIHAN MEMORIAL FUND (212808-72)
- CHARLES RYALL BEQUEST (212808-73)
- ROYAL COLLEGE OF SURGEONS OF ENGLAND COMMON INVESTMENT FUND (212808-74)
- EVELYN SPRAWSON PRIZE (212808-75)
- H S MORTON EXCHANGE FELLOWSHIP FUND (212808-76)
- THE FACULTY OF GENERAL DENTAL PRACTITIONERS' RESEARCH FUND (212808-77)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND RESEARCH AND FELLOWSHIP ENDOWED FUND (212808-78)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND RESEARCH AND FELLOWSHIP NON ENDOWED FUND (212808-79)
- THE HUNTERIAN ORATION (212808-8)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND EDUCATION ENDOWED FUND (212808-80)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND EDUCATION NON-ENDOWED FUND (212808-81)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND LIBRARY ENDOWED FUND (212808-82)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND LIBRARY NON-ENDOWED FUND (212808-83)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND PRIZE ENDOWED FUND (212808-84)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND PRIZE NON-ENDOWED FUND (212808-85)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND SCHOLARSHIP ENDOWED FUND (212808-86)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND SCHOLARSHIP NON ENDOWED FUND (212808-87)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND RESEARCH FOR CANCER NON-ENDOWED FUND (212808-88)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND FACULTY OF DENTAL SURGERY COMMEMORATION NON-ENDOWED FUND (212808-89)
- BRADSHAW LECTURE (212808-9)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND MUSEUM ENDOWED FUND (212808-90)
- THE ROYAL COLLEGE OF SURGEONS OF ENGLAND MUSEUM NON-ENDOWED FUND (212808-91)
- THE JOHN EDWARD DARLOW FELLOWSHIP FUND (212808-92)
- THE RANK CHAIR OF PHYSICS IN SURGERY (212808-93)
- THE RISHWORTH FUND FOR THE ANNALS (212808-94)
- THE DENTAL SCIENCE FUND (212808-95)
- THE GEORGE QVIST FUND (212808-96)
- JOHN KINROSS EMERGENCY FUND (212808-97)
- PRESIDENT'S FINCH FUND (212808-98)

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- THE DENTAL SCIENCE RESEARCH FUND OF THE FACULTY OF DENTAL SURGERY AND ROYAL COLLEGE OF SURGEONS OF ENGLAND (212808-99)

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ROYAL COLLEGE OF SURGEONS OF ENGLAND

England & Wales - Charity number 212808

Accounts

Royal College of Surgeons of England

ADVANCING SURGICAL CARE

The Royal College of Surgeons of England

Annual Report and Accounts 2024–2025

Contents

TRUSTEE'S REPORT	**2**
President's review of activities and future plans	2
Chief executive's review of activities and future plans	4
Our objects and aims	6
FINANCIAL REVIEW	**8**
Funding partnerships	15
Structure, governance and management	17
Statement of trustees' responsibilities	21
Independent Auditor's Report to the Members of the Royal College of Surgeons of England	22
FINANCIAL STATEMENTS	**25**
Consolidated statement of financial activities	25
Consolidated balance sheet	26
Consolidated cash flow statement	27
Notes to the financial statements	28
REFERENCE AND ADMINISTRATIVE DETAILS	**58**

Trustees' Report

The trustees of the Royal College of Surgeons of England (RCS England) are pleased to present their report for the year ended 30 June 2025.

President's review of activities and future plans

I am proud to present this annual report covering July 2024 to June 2025. With a change in government, ongoing pressure on the NHS, the emergence of AI and new innovations, and growing expectations of what surgery can deliver for patients, our responsibility to lead the profession has never been greater. This is a year where we have successfully influenced government policy, raised the standards of our profession, and further expanded the support we provide for our members – including the next generation of surgical leaders.

Advocating for members and patients

With the election of a new government coinciding with the start of our financial year, we have worked to influence ministers, civil servants and decision-makers in the devolved nations to ensure your voice is heard. Arm's length bodies and regulators continue to wield huge influence, making our relationships with NHS leaders, the General Medical Council, the General Dental Council, and NICE critical for advancing surgery.

Following our pressure, the government's review of the NHS and the elective care plan – published in their first six months – demonstrated a continued focus on improving access to surgery for patients. We made improving surgical capacity a top priority and are pleased the rollout of surgical hubs continues and we continue to call for a step-change in investment in infrastructure and IT.

Supporting our members to navigate technological advancement is central to our College's strategy. We formally advised NICE as it approved eleven robotic surgery systems for the first time and we continue to make the case for appropriate support for robotic surgery in the NHS. While recognising its potential benefits for patients, we continue to advocate for evidence-led and well-governed implementation, including suitable training for established surgeons and resident doctors.

Members increasingly raise the risks associated with cosmetic surgery – in particular, the rising number of patients they see with medical complications as a result of substandard surgery carried out by a minority of unscrupulous practitioners abroad. We held a roundtable, convening national stakeholders including the Competition and Markets Authority and the Advertising Standards Authority, to analyse the problems and identify solutions. In response, the government launched a Tiktok campaign to warn consumers of the risks, and we continue to advance the numbers of surgeons certified by the intercollegiate Cosmetic Surgery Board Certification Scheme we host.

Alongside our continued support for humanitarian work overseas, our global influence increases through examinations, education, and accreditation of training facilities.

Professional standards and culture

This year, we took decisive steps to strengthen professional standards.

In collaboration with the Working Party on Sexual Misconduct on Surgery, we jointly made progress to tackle unacceptable behaviours and challenge the culture of surgery. We introduced a new Code of Conduct that makes clear the behaviours we all expect of our profession. Technical competence or seniority does not excuse misconduct; those who abuse trust have no place in our College.

We also updated Good Surgical Practice – the College's key standards publication which sets the bar for how, as surgeons, we uphold compassionate, high quality, and safe surgical care. We invite every surgeon to make Good

Surgical Practice part of their everyday work by reflecting on their own practice and applying its principles to their specific circumstances.

Supporting careers

We remain committed to providing a compelling and personalised range of services tailored to every stage of our members' careers.

I know firsthand how a career can be transformed by peer support, and our new mentoring platform, initially targeted at under-represented groups, is there for members to advance their careers, creating tailored opportunities to connect, share experiences, and learn. We continue to expand eligibility as we build on our initial success with our Women in Surgery and SAS networks.

In opening our Extended Reality (XR) Lab, we have provided new opportunities for immersive, technology-enabled learning and simulation. It represents an important investment in the future of surgical education and reflects our commitment to embracing new tools that enhance training. Alongside this offering at our home of surgery, we continue to expand our reach across the UK and internationally through our package of events, exams, and courses and are grateful to our partners for enabling surgeons across the UK and around the world to benefit from our offer from their homes and our regional centres.

Supporting the next generation

Concerns about surgical training continue to be one of the most pressing challenges facing the profession.

Over the past year, we have worked closely with resident doctors to understand and address issues relating to training quality, access to operative experience and career progression. In particular, we have been concerned by data from the Joint Committee on Surgical Training showing a sustained failure to return to pre-pandemic levels of operative logbook experience across all surgical specialties.

We have been clear that a sustainable future for surgery depends on protecting training opportunities. 'No training today, no surgeons tomorrow'. Working with the Association of Surgeons in Training, we issued a stark warning to the government and NHS England's senior leadership about how planned government reforms like the greater use of the independent sector, risk creating further barriers if not carefully implemented. It is right that NHS England have now set out clearer contractual expectations on non-NHS providers and we look forward to influencing the ongoing government review of postgraduate training.

Future plans

Alongside significant success this year, we have invested to lay the groundwork for future transformation of the College.

Our new building has provided a more modern, inspiring, and accessible environment for staff and members to enjoy but we cannot yet say the same about our digital presence. We have been reviewing our website and wider digital estate, planning for how we can meet and exceed what our members and the surgical community expect from the College online. We look forward to updating members with our progress during 2026.

Our current College strategy is due to expire, and I am delighted that during the year we appointed Jackie Weller as our new Chief Executive. With experience from her long career at the College, I have every confidence she will guide our staff and the College successfully as we develop our new strategy during 2026 – a year when members will also elect my successor and our Vice-Presidents for the first time.

I would like to thank our members, volunteers, and staff for their continued dedication throughout the year. It is only through our collective effort that the profession and the College can continue to make a meaningful difference to the working lives of our colleagues and, most importantly, the wellbeing of our patients.

Tim Mitchell
President

Chief Executive's review of activities and future plans

From modernising our College, to delivering new services to members, I am extremely grateful to our staff, representatives and volunteers whose work has advanced surgical care during 2024–25.

Over the past decade, the College has undertaken a sustained programme of transformation – from our headquarters to our membership offer – with a clear focus on how best we serve and lead our profession.

Following the major redevelopment of our physical headquarters in Lincoln's Inn Fields, this year our attention turned to our digital estate.

We invested in new Customer Relationship Management and finance systems, which went live shortly after the year end. Transitioning to new digital systems is always a huge undertaking for any organisation, and we are very grateful to our members for their continued patience during the changeover. While there have been initial technical challenges, the investment we made in our systems during the year should enable, over time, more tailored member communication from the College and easier interaction. Alongside this, planning is well underway to overhaul our website and wider digital estate with a clear aim: to provide a clear, reliable and more user-friendly experience for members.

We also explored the opportunities presented by the emergence of AI. Through our Digital Accelerators programme, staff are identifying practical ways to improve how we work – from automating meeting notes to reviewing content.

These initiatives demonstrate our commitment to modernising as an organisation, supporting both members and staff to benefit from the latest technology.

Alongside our digital transformation, we continued our journey to strengthen our governance. At the Annual General Meeting, members approved changes following the Kennedy Review that will, from 2026, allow the election of the President and Vice-Presidents by the membership for the first time . In parallel, our Board effectiveness review reaffirmed the strength of our governance arrangements.

Work has also begun in earnest on our new strategy for 2026 onwards, providing a clear sense of direction for the next phase of the College's development.

Against this backdrop, the breadth and quality of what our staff and volunteers delivered during the year is impressive, including:

- Continued growth in membership;
- Delivery of over 680 courses and expansion of our exam offer in the UK and internationally;
- The launch of a new Extended Reality Lab which offers cutting edge immersive training;
- 45 events supporting our members' professional development, while celebrating their success at 16 diplomates ceremonies;
- New funding for the National Cancer Audit Collaborating Centre;
- Achieving full accreditation for the Hunterian Museum with Arts Council England.

I, and the whole Trustee Board, are extremely grateful to my predecessor, Andrew Reed, for his leadership over the past decade. Working with trustees, staff and volunteers, he helped guide the College through a period of sustained development and change, laying strong foundations for the work being delivered today.

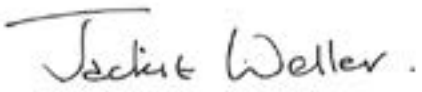
I was honoured to be appointed Chief Executive in June after more than 30 years at the College. Throughout that time, my focus has always been on supporting our members and staff to achieve their potential. I am delighted

that our staff engagement remains at industry-leading levels. This reflects how we live our values of collaboration, respect and excellence, alongside our commitment to staff development and inclusion.

We are equally committed to supporting our members and the wider profession. During the year, we continued to lead work to tackle sexual misconduct, including introducing a new Code of Conduct for members and staff. With our Women in Surgery Network and ten years of the Emerging Leaders programme, we continue to support women who remain under-represented in the surgical workforce. Together, this work contributes to creating professional cultures in which individuals can perform at their best.

We look ahead with confidence. Our strong financial position enables us to invest in the next stage of our development, improving members' digital experience and setting a clear new strategy for the College.

Thank you to all colleagues and members for your dedication. Together, we are building a modern, inclusive and ambitious College. In the coming year, our focus will be delivering our new strategy, accelerating digital transformation and strengthening our impact for the profession and for patients .



Jackie Weller
Chief Executive

Our objects and aims

RCS England was established for the study and promotion of the art and science of surgery. Our vision is to see excellent surgical care for everyone.

Our mission

Our mission is to enable our members, in all their diversity, to deliver excellence in everything they do.

We will do this by:

leading our profession: being the pre-eminent voice of surgery, championing excellent surgical care by engaging the profession, policy makers, patients and the public;

improving practice: continually improving the practice, standards and safety of surgical care, and developing the workforce across the UK;

engaging our members: inspiring, supporting, educating and representing the professional interests of a growing, diverse membership;

embracing diversity: championing the diversity of our profession, treating everyone with respect and compassion, and demonstrating our commitment to fairness, gender equality and anti-racism;

transforming our College: building a sustainable, diverse, digital, forward-looking organisation that plays its part in the world and is accountable for everything it does.

OUR CORE VALUES

Our values are:

Collaboration: we embrace our collective responsibility, working as one college

Respect: we value every person we come into contact with as an individual, we respect their aspirations and commitments in life, and seek to understand and meet their physical and wellbeing needs

Excellence: we aspire to excellence and success, we share learning from our experiences, apply feedback to practice and commit to continual improvement

Working for the public benefit

We deliver public benefit through a wide range of activities that influence and support the professional development of surgeons and the delivery of surgical services for the benefit of patients, surgeons and trainee surgeons. We provide strong leadership and support for surgeons in all matters relating to their surgical practice throughout their careers. Our activities and achievements, which all lead to public benefit, reinforce our strategic aims and demonstrate our commitment to maintain the highest standards of surgical practice and patient care.

The trustees confirm that they have paid due regard to the guidance issued by the Charity Commission on public benefit, and further confirm that the activities of RCS England are carried out for public benefit.

Our work is based on a number of the charitable purposes defined in the Charities Act 2006 – chiefly the advancement of education, the advancement of health or the saving of lives, and the advancement of the arts, culture, heritage or science. We engage directly with the public through the Hunterian Museum, the media, our publications and our journals (the *Annals*, the *Bulletin* and the *FDJ*).

Financial review

This year has been one of consolidation as we continue on our journey to deliver a financially sustainable and forward-thinking professional membership organisation. Our financial results show income growth in all areas but costs have also grown.

We have posted a net income position this year of £1.0m (2024: £9.4m). The major change is a decline in investment return from a gain of £10.2m in 2024 to only £1.1m in 2025. Investment results are often volatile so this is not a significant concern as the medium-term trends remain positive.

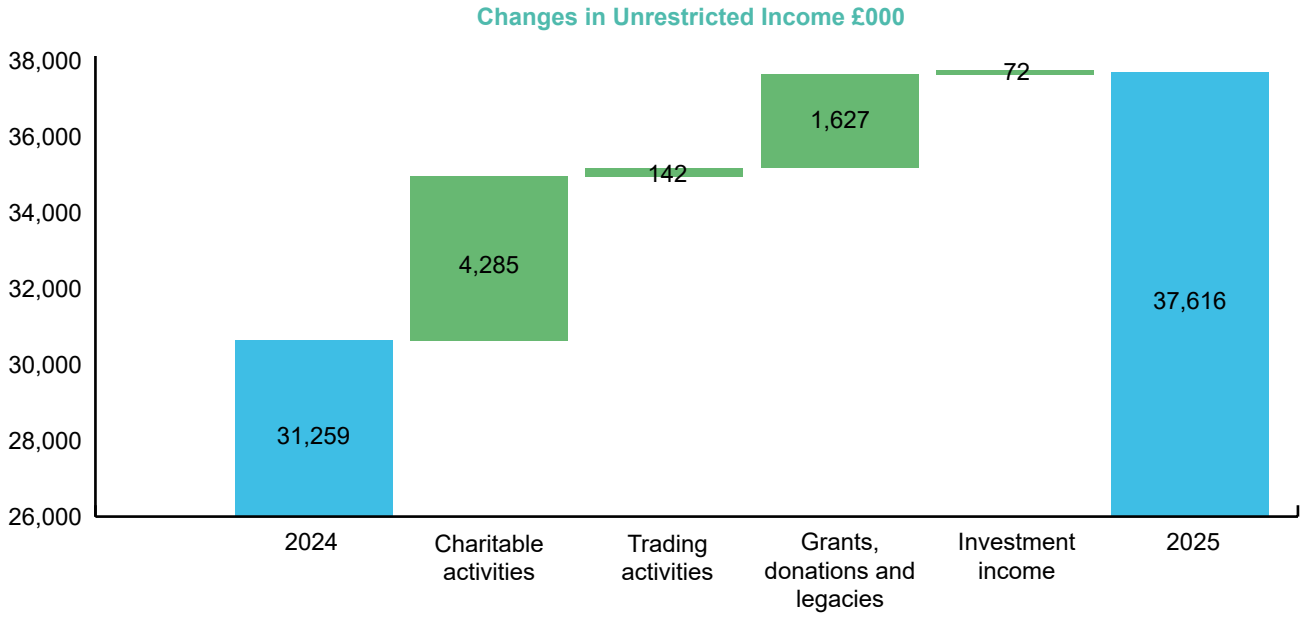
Net income before gains has improved to net expenditure of £0.1m (2024: £0.8m). This is principally due to a £5m increase in grants donations and legacies income. This is substantially offset by the Universities Superannuation Scheme (USS) pension scheme moving from deficit to surplus and consequent release of the £3.1m provision in the 2024 accounts with no equivalent movement this year.

Restricted and endowed activity levels can vary quite significantly from year to year. An increase in our restricted and, particularly, endowed income in 2025 has seen significant net income in these areas (£1.2m) (2024: net expenditure of £1.9m). Investment gains of £1.0m have resulted in a £2.3m increase in reserves.

Total reserves have decreased marginally to £144m (2024: £143m). Unrestricted funds have decreased by 1% to £96.0m (2024: £96.7m). Endowed funds have increased by 5% to £44.0m (2024: £42.0m) and restricted funds have decreased by 5% to £4.3m (2024: £4.5m).

Income

Income has risen by 27% to £43.7m (2024: £34.4m), with unrestricted income rising 20% to £37.6m (2024: £31.3m)



Charitable activity income has risen by 15% to £33.0m (2024: £28.7m).

- Membership subscriptions remain the largest single revenue stream up 6% to £10.5m (2024: £9.9m). Fee rates were only increased by 2.5% last year so this is a very encouraging result.
- Exams demonstrated continuing strong performance with revenues up 2% to £10.0m (2024: £9.8m).
- Courses slipped back slightly due to systems challenges as we migrated to a new CRM system with revenue down 6% to £3.4m (2024: £3.6m), although still 10% higher than the £3.1m achieved in 2023.
- Quality & standards income grew 62% to £5.3m (2024: £3.3m)
- Other income grew 76% to £3.8m (2024: £2.2m)

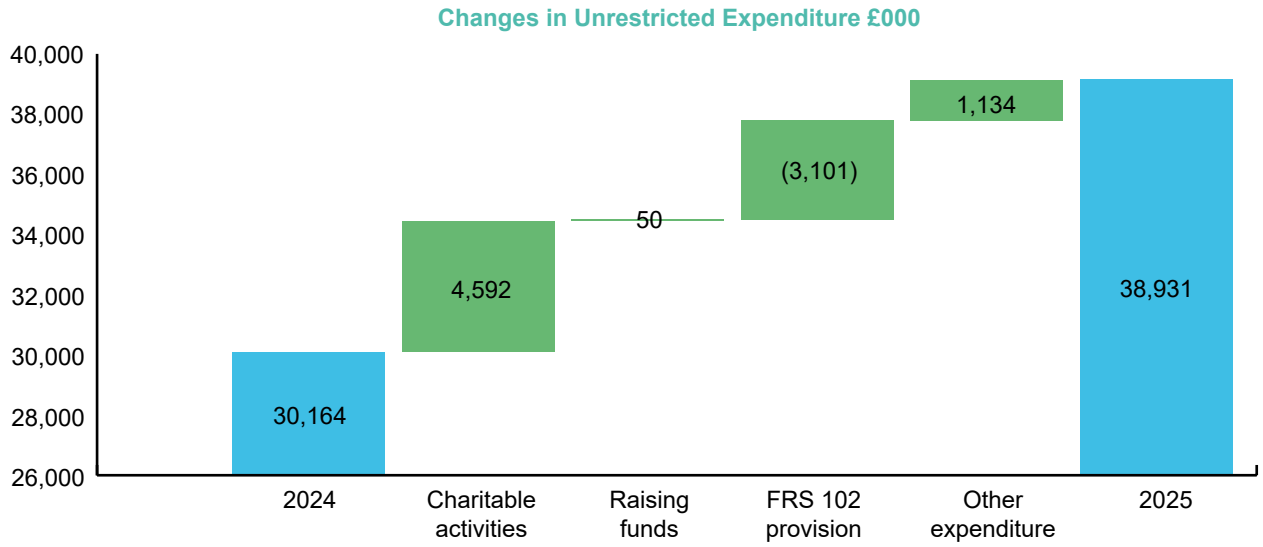
Income from grants donations and legacies has increased by 181% to £7.7m (2024: £2.7m) with £1.9m of the increase being unrestricted.

- The biggest increase, both proportionately and absolutely, has been in legacies, up over 700% to £4.9m (2024: £0.6m).
- Both grant income, up 11% to £2.0m (2024: £1.8m) and donations, up 126% to £0.8m (2024: £0.35m) have also increased.

Trading income is up 12% to £1.5m (2024: £1.3m) with continued growth in income from our venue hire business.

Expenditure

Expenditure has increased 24% or £8.6m to £43.8m with unrestricted expenditure up 29% or £8.8m on 2024 levels to £38.9m. The 2024 figure includes a £3.1m release of the FRS 102 pension provision and, excluding this, total expenditure is up 16% and unrestricted expenditure is up 19% on 2024.



Unrestricted charitable activity expenditure is up 16%; 1% higher than the increase in income from charitable activities, reflecting further targeted investment in support of revenue growth and our strategic activities as we reposition ourselves in a post-pandemic world. Our course and exam portfolios continue to evolve as we seek to differentiate our offer in what is a highly competitive landscape.

We have reported higher costs across most expenditure areas including professional and public engagement. Much of our programme of professional activity as outlined in the Trustees' Report is supported by our restricted and endowed funds. Total expenditure against these funds has declined 4% to £4.9m (2024: £5.1m).

Net assets

Net assets have increased by 0.7% or £1.0m to £144m. Investments decreased by £5.0m reflecting cash drawdowns during the year to fund the Transform programme and a decline in the value of investment property. Intangible fixed assets increased by £4.8m as work on the new CRM and finance systems progressed. Tangible fixed assets declined by £3.1m, mostly depreciation.

The College's landmark building is depreciating currently at an annual rate of approximately £2.4m. All components except freehold property will have been fully depreciated after 25 years. The long-term loan of £40m financed completion of the capital works.

Cash holdings have decreased by £1.5m to £6.4m, debtors are £7.3m higher at £17.5m, current liabilities are £1.5m higher at £19.8m, and the current ratio has increased to 1.17 from 0.99 in 2024.

Hunter Trading Limited

Our financial statements consolidate the results and financial position of our wholly owned subsidiary, Hunter Trading Limited (note 15). The company has delivered a profit of £0.97m for the year (2024: £0.82m). 2025 is our fourth year of trading and it continues to be highly successful for our conference and events venue, The View, as well as for our other iconic and unique venue spaces. Our catering and events partner, Searcys, has successfully promoted our offer throughout the year, and market interest and bookings have continued to rise. Activities have broadly returned to normal levels of activity post-COVID.

Financial outlook

As anticipated last year, this year was one of consolidation and investment in change, developing our understanding of demand trends in current and new markets so that we can continue to provide a competitive, valued and relevant offer to our members and prospective members. We will continue to expand and develop our revenue streams, extending our global reach, investing in and promoting the dental exams offer, attracting new sponsorship schemes and working with commercial partners. We are expanding our internal resources in exams, fundraising and business development and expect to see growing revenue streams in future years.

We are progressing with our transformation strategy in the digital space. This is a complex endeavour that requires substantial investment of our time and our funds to secure success. Delivering our transformation strategy is pivotal to securing financial profitability and financially sustainable surpluses over the longer term. Digital transformation will enable us to deliver better services and to broaden our reach, fostering greater engagement, accessibility and inclusivity. It will also transform the College into a technologically smart, cost-efficient and cost-effective operation.

The debt repayment obligations, on the loan taken out to complete the work on building, begin next year, but we expect to be able to meet capital repayments from our operational cashflow as very high capital expenditure supporting our physical and digital infrastructure declines to more normal levels.

The financial position of the USS improved significantly and resulted in the release of the provision we were holding last year. We remain alert to the possibility under the scheme's Monitoring and Actions Framework that short-term corrective actions such as higher contributions or accelerated valuations could be taken in the event that the scheme's funded status is impacted adversely by market volatility. We will continue to support employer representatives in their efforts to keep the cost of pension benefits at an affordable level.

Reserves policy

Our reserves comprise unrestricted funds, restricted and endowed funds. The restricted and endowed funds result from grants, donations and legacies that can only be applied for a purpose specified by the donor or grantor and are not available for general purposes. We aim to carry out the activities and projects supported by these funds on a timely basis in accordance with the purposes and conditions specified. Restricted and endowed funds total £49.5m at 30 June 2025 (2024: £48.4m) (notes 17 and 18). The unrestricted funds represent the accumulated surpluses generated from general business activities and are funds that are available for use at the discretion of the trustees. They comprise fixed asset funds, designated funds and general funds.

Fixed assets fund

The fixed assets fund comprises the funds invested in fixed assets that the trustees consider essential in enabling the College to implement its operational strategy effectively. The fund represents the net book value of unrestricted tangible and intangible fixed assets and net of associated long-term loan funding. We held £68.3m in the fixed assets fund at 30 June 2025 (2024: £66.6m). The fund includes £6.6m of assets in the course of construction in respect of the digital transformation programme to redesign our systems landscape. The fund also includes the £8.5m of historical cost in respect of the leased second and third floors, which are accounted for as investment property.

Designated funds

Designated funds are funds that the trustees have earmarked for specific purposes. We designated £1.5m in 2021 to support the next phase of digital transformation and new systems investment. This has now all been expended.

General funds

In accordance with Charity Commission guidance, the trustees set a target range for the level of free reserves, or general funds, that the College should maintain to ensure its financial security and funding of its business plan. Free reserves or general funds are defined as total unrestricted funds less fixed assets and designated funds. The target range comprises three elements:

- between 50% and 75% (i.e. between six months and nine months) of gross annual unrestricted operational expenditure, excluding depreciation (a non-cash item) and movements on the pension reserve. This equates to a target range of £16.1m to £24.1m for 2024-25.
- An amount equal to the interest and capital repayments due on the long term loan in the next 2 years in order to meet its annual obligations under the long-term loan arrangement in place since 2020. This is £3.7m at 30 June 2025.
- An amount based on the identified risks in the corporate risk register calculated using the predicted financial impact and likelihood for all the medium and high risks in order to manage the risk of an unexpected need for funds. This has been calculated as £1.1m at 30 June 2025.

This range is set taking into account:

- the risk of fluctuating income and expenditure levels;
- the risk of an unexpected need for funds;
- the need to provide working capital for the College's current operational and future development activities;
- the need to meet its annual obligations under the long-term loan arrangement in place since 2020;

General funds stand at £22.0m at 30 June 2025. This is a decrease of 11% or £2.7m on the previous year (2024: £24.7m). This is within the target range but at the low end, being 14% of the way between the lower and upper range limits. General funds are broadly represented by our unrestricted investment portfolio, which is providing 90% cover (2024: 93%) at a value of £19.7m as of 30 June 2025 (2024: £23.0m).

The College remains focused on its longer term objective of financial sustainability, so that it meets its future annual debt obligations and ensures that it maintains an appropriate level of free reserves to enable the College to withstand future unexpected events as well as deliver on its priorities.

Fundraising

The College aims to raise funds in accordance with best practice and in an open, legal and fair manner, and has effective systems in place to monitor and maintain these standards and ensure that communications with supporters are undertaken in a considered and balanced manner. We are registered with the Fundraising Regulator and undertake our fundraising activities with reference to the Code of Fundraising Practice. Each year, we review our data protection processes to ensure full compliance with the General Data Processing Regulation (2018). We do not engage commercial partners or volunteers to raise funds on our behalf. If complaints and concerns are raised, these are taken seriously and responded to promptly and handled in accordance with the College's complaints procedures, which are available on the website. We did not receive any complaints in respect of our fundraising activity in 2024–25 (2024: nil).

Investment policy

We invest for the long term and we invest to generate the best overall returns from our unrestricted and endowed funds to support both ongoing operational activity and activity undertaken in line with the specific purposes of the endowed funds. We seek to achieve this through diversified risk-controlled investment. We have adopted a total return strategy for all of our invested funds and a more global and broader asset allocation strategy to ensure that we continue to achieve the best returns going forward in what is a changing investment landscape.

Both portfolios are expected to deliver a minimum long-term total return of CPI plus 4% and to provide sufficient cash to support relevant annual expenditure commitments. Our investment with J.P. Morgan is in its sixth year and they have continued to take action during the year to pivot the portfolios towards our long-term asset investment strategy, reflecting greater geographical and asset class diversification. In accordance with good practice, as J.P. Morgan have now been in post for more than five years, we intend to conduct a tender for investment management advisors next year.

Our statement on ethical investing was issued in 2021 and updated in 2025. This sets out our clear commitment to sustainable and responsible investing and strengthens our commitment to divesting from fossil fuels and we seek to divest from all direct exposure to fossil fuels by 2035. This statement is fully endorsed by our Council members.

We have adopted an environmental, social and governance (ESG)-integrated investment model to deliver on our ethical investment commitments. Our investment approach excludes direct investment in fossil fuels, tobacco and controversial weapons, and we aim to minimise our levels of indirect exposure to these sectors through regular ethical screening and careful selection of fund managers with strong ESG credentials.

We consider that our ESG-focused investment approach will enable us to meet our long-term return profile and therefore provide the funds to support our professional and operational objectives.

Short-term cash not required to support general operations is placed on short-term fixed-term deposits with approved financial institutions.

Investment portfolio performance

The Finance and Investment Committee oversees all matters pertaining to financial planning and performance, including investment management, and advises and reports on a regular basis to the Board of Trustees on the performance of the investment portfolios and the appointed fund managers.

Both portfolios are managed on a total return basis and are structured to enable the College to continue to receive an annual cash distribution of around 4% to support its ongoing operations and restricted activities. Greater focus is therefore placed on overall investment performance rather than on earning investment income. The investment portfolio delivered an overall unrealised gain of £1.5m (2024: £7.9m). Portfolio income decreased to £0.73m this year (2024: £0.76m). A cash distribution of £6.3m was made during the year, comprising £2.4m against the restricted and endowed portfolio to replenish operating cash balances for endowed fund expenditure, and £3.89m against the unrestricted portfolio to finance capital projects and the annual debt interest. The net return before divestment was 2.5%, but the final return net of fees was -6.7% for the year (2024: 9.4%).

Total return accounting

The College adopted total return accounting for its permanently endowed funds in 2014–15. A base date of 24 June 1992 was approved for determining the permanent capital value of the endowed funds, based upon the market value of the permanent endowments at that date and the original value of any subsequent additions. The value of these investments was frozen and classified as frozen permanent capital and the remaining value of the investments was classified as unapplied total return.

We seek to preserve the value of the endowments in real terms over the medium to long term. A target spending rate of between 3.5% and 4.5% of the value of the endowments is considered achievable without diminishing the value of the portfolio in real terms and represents our best estimate of the long-term real rate of return on the endowments. This target range is kept under review to ensure that it remains appropriate.

A total of £1.7m was applied in the year to fund restricted expenditure, and together with investment management fees of £0.30m, the total applied from the endowed funds was £2.0m. This represents an application of 4.9% in the year, which is slightly above the top of the target rate range. The cumulative total applied since the adoption of total return accounting is in line with the cumulative maximum target level for this same period and we will continue to need a strong investment performance over the long term if spending plans are to continue at current rates.

Key management personnel

The People and Culture Committee oversees matters relating to structure, composition and effectiveness of the Board, and provides assurance to the Board that the College has an effective strategy to deliver an effective and high-performing workforce. The Committee oversees issues relating to the remuneration of staff with specific responsibility for making recommendations to the Board regarding overall remuneration policy, including approving salaries and conditions of service at director level and above. The Committee receives recommendations from the

Head of Human Resources based on a detailed market review benchmarked to similar organisations carried out biannually, as well as through the annual performance appraisal process. Based on this advice, the Committee makes recommendations to the Board on the remuneration and benefits of the Chief Executive Officer and other senior post holders.

Risk management

The Board of Trustees maintains ultimate responsibility for the College's risk management and control. The Board sets the risk appetite and oversees comprehensive risk management processes, with the Audit and Risk Committee specifically tasked with advising on financial reporting, overseeing risk management systems and appointing auditors.

The risk management framework involves multiple layers of oversight and implementation, from Council's handling of professional and public policy matters to the Chief Executive and executive team's operational management. Every staff member has risk management responsibilities, with all risks having clear ownership, measurement and monitoring processes. The College maintains departmental, project and corporate risk registers as part of its robust framework, which has undergone continued refinement and improvement throughout the year.

In 2025, the College maintained a robust approach to risk management, with particular focus on addressing challenges in the healthcare workforce setting. A significant concern has been the increasing reluctance of NHS trusts to release clinical staff for College activities, potentially impacting governance, standard-setting and educational courses. The College has actively engaged with other medical royal colleges, NHS England and the Department of Health and Social Care to advocate for the protection of Supporting Professional Activities in consultant contracts, recognising their crucial role in maintaining clinical excellence and education standards.

The College has made substantial progress in its digital transformation journey, implementing comprehensive improvements across its technology infrastructure. These digital initiatives are designed to enhance member experience, strengthen cyber security and ensure the College maintains its competitive edge while providing value to its professional community. The implementation of a new CRM system will enable more personalised support for current and prospective members. This includes the Digital Home Project, which incorporates a brand refresh and aims to deliver personalised services tailored to every stage of surgical and dental careers.

Financial sustainability remained a key priority, with careful attention paid to operating surpluses and long-term financial obligations. The College has also been proactive in addressing emerging challenges, including the optimisation of commercial property management.

A clear and focused strategy

Our five-year strategy 2021-26, Changing the Face of Surgery, sets out our vision of excellent surgical care for everyone, and we aim to achieve this by enabling our diverse members to deliver excellence in everything they do. Throughout implementation we will focus on the risks that may impact our ability to deliver our strategic aims including continued pressures on the NHS and regulatory changes. Our strong governance and engagement framework will also help to ensure we are able to respond to and manage any risks to our strategic objectives.

Going concern

The financial statements have been prepared on a going concern basis. The College has returned a reasonably strong performance for 2024-25, a little ahead of the financial forecast for 2024-25 and in line with the original budget. Economic uncertainty both within the UK and globally remains high with security and trade related concerns but inflation and interest rates are reducing. Expectations for future UK growth are modest but consistent and it is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2027.

The College prepares its annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to its revenue streams before the plan is finalised and approved. This next year will be one of consolidation and progress as the College continues its work to reshape the organisation, develop and broaden its revenue base, including new commercial revenue, and to build and strengthen its membership offer to meet the needs of both the surgical and dental member communities. Revenues are growing strongly but costs

have also grown rapidly as we invest to position ourselves for future growth. It is therefore vital that the College's transformation agenda is driven forward and a new business model is developed that positions the College to compete effectively in its marketplace and deliver longer term financial sustainability.

The College has updated its long-term revenue and cash projections for its latest results, annual plan, and other expected changes in its operating position over the next 18 to 24 months. The projections are stress-tested and set the minimum long-term operating surplus target that the College must achieve to meet its interest and repayment obligations in the medium to longer term. The College has sufficient cash reserves to support its general operations over the next 18 to 24 months.

The trustees consider that the College's primary revenue streams remain broadly robust and demand-positive over the medium term, and that any reduction in revenues in this period as a result of a downturn in demand will be short term and recoverable. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to respond to and minimise any adverse impact on its financial position.

The trustees are satisfied that RCS England is in a position to manage effectively its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

Corporate trustee responsibilities

The College is a corporate trustee of the Colledge Family Memorial Fellowship Trust. This trust holds investments and assets in its own name and its activities are entirely separate from those of the College.

Colledge Family Memorial Fellowship Trust

The College is one of three trustees of the Colledge Family Memorial Fellowship Trust, which was set up to award travelling fellowships to surgeons. The other trustees of this fund are Mr T George and Professor A Narula. We provide a number of services to the Trust, namely, the preparation of annual accounts, the submission of these and the annual return to the Charity Commission, and liaison with the investment fund managers, Cazenove Capital Management, to ensure that the funds are invested in accordance with the wishes of the trustees. The Trust's financial statements are audited by Crowe U.K. LLP.

The value of the Colledge Family Memorial Fellowship Trust endowed fund at 30 June 2025 is £3.1m (2024: £2.8m) and its restricted fund is £63k (£2024: £68k).

Other trustee responsibilities

The Sir Ratanji Dalal Research Scholarship Fund

Our President is one of two trustees of the Sir Ratanji Dalal Research Scholarship Fund, the other being the President of the Royal College of Physicians. We provide administrative and accounting services to the Fund and its trustees, preparing the annual accounts and annual return for submission to the Charity Commission. The financial statements are audited by Crowe U.K. LLP.

The value of the Sir Ratanji Dalal Research Scholarship endowed Fund was £0.84m at 30 June 2025 (2024: £0.77m) and its restricted fund was £99k (2024: £121k).

Funding partnerships

As a registered charity (212808), we rely upon charitable support to underpin our work in advancing surgical standards through education, research and training.

We are grateful to our many supporters, whose donations and encouragement are crucial as the demands on our limited resources become ever greater. We would like, in particular, to acknowledge the following charitable trusts, foundations, companies and individuals.

Foundations, charitable trusts, associations and individuals

Association of Breast Surgery	Hon Society of Knights of the Round Table Benevolent Fund
Association of Coloproctology of Great Britain and Ireland	Huggard Charitable Trust
Blond McIndoe Research Foundation	Linder Foundation
Bowel Cancer UK	Lollipop Foundation
Bowel Research UK	Marx Family Trust
Breast Cancer UK	Masonic Charitable Foundation
British Association of Urological Surgeons	Miss Leela Kapila OBE FRCS
British Gynaecological Cancer Society	Mr Bjorn Saven
British Obesity & Metabolic Surgery Society	Mr Leon J Grant
Brock Webb Trust	National Joint Registry
Bryan Guinness Charitable Trust	Occtopus
Circulation Foundation	Orthopaedic Research UK
Edwin George Robinson Charitable Trust	PF Charitable Trust
ENT UK	Professor Miles H Irving KB FRCS
Frances and Augustus Newman Foundation	Rosetrees Trust
Freemasons Fund for Surgical Research	Shears Foundation
G D Herbert Charitable Trust	Sir John Fisher Foundation
G M Morrison Charitable Trust	Society for Cardiothoracic Surgery in Great Britain and Ireland
George Drexler Foundation	St Jude's Charitable Trust
Gilbert and Eileen Edgar Foundation	Swann-Morton Foundation
Globe Lodge No. 23	Vascular Surgical Society of Great Britain and Ireland
Gunnar Nilsson Cancer Treatment Trust Fund	Worshipful Company of Needlemakers
Health Education England	Wyndham Charitable Trust
Henry Lumley Charitable Trust	

Corporate Support

Abbott Medical	Medtronic
B Braun Medical Ltd	Molnlycke Health Care
Bloomberg Connects	Pensionlite Ltd
Butterfly Network	Rocialle Healthcare
CMR Surgical Ltd	Siemens Healthineers
Eido Healthcare Limited	Stryker Corporation
Ethicon UK	THD (UK) Ltd
Immerse Education	Thomas Tunnock Ltd
Karl Storz Endoscopy (UK) Ltd	TruCorp Ltd
Pensionlite Ltd	

Endowed and Restricted Funds

Alban Barros D'Sa Scholarship Fund	Henry Lumley Charitable Trust
Arthritis Research Trust Fund	Margaret Witt Scholarship Fund
Blond McIndoe Fund	Philip and Lydia Cutner Fund
Doctor Shapurjui H Modi Memorial ENT Fund	Preiskel Family Fund
Fellows Fellowship Fund	Sorab (Soli) Jamshed Lam Research Fund
Harold Bridges Bequest	Vandervell Research Fund

Legacy gifts

The late Ms J Anderton for general charitable purposes	The late Mr M W E Morgan for general charitable purposes
The late Ms L Bartlett for the Margaret Witt Fund	The late Mrs B Mountford-Quinn for general charitable purposes
The late Ms D C Bartley for general charitable purposes	The late Mr A R Mowlem for general charitable purposes
The late Mr D P Goodwin for general charitable purposes	The late Mr A G Neville for general charitable purposes
The late Mr R W Heslop for general charitable purposes	The late Mr N J Norris for general charitable purposes
The late Ms W L W Maclean for general charitable purposes	The late Miss S J White for general charitable purposes
The late Mr F T Middleton for general charitable purposes	

Structure, governance and management

Charter

The Royal College of Surgeons of England was established by Royal Charter in 1800 to promote and encourage the study and practice of the art and science of surgery. Its earlier history lies in the records of the City Companies of Surgeons and Barber Surgeons. The affairs of the College are regulated by its founding and subsequent charters and ordinances. The most recent of these charters was granted in April 2015, and prior to that in March 1992. The College is a charity, with the registered number 212808.

Constituent parts

For administrative purposes, the College comprises the Commonalty of Surgeons and the Faculty of Dental Surgery.

Trustees

The Board of Trustees, which came into effect with our new Charter in April 2015, comprises the College Officers, the Dean of the Faculty of Dental Surgery, three elected trustees (elected by and from Council), and four lay trustees appointed by the Board.

Officers	
President	Mr T Mitchell
Vice-Presidents	Professor V Lees
	Professor P Friend
	Professor F Smith (from 11 July 2024)
	Professor F Myint (to 11 July 2024)
Dean of the Faculty of Dental Surgery	Dr C Eckhardt

Elected Trustees	**Lay Trustees**
Mr W Allum (to 12 June 2025)	Mr P Davé (to 30 June 2025)
Professor F Bhatti	Mr S Davis
Professor A Carr	Mr R Greig
Ms G Bowbrick (from 12 June 2025)	Miss J Kirby
	Ms V Leung (from 1 July 2025)

Members of Council

Council consists of 24 elected surgical fellows, 10 appointed surgical specialty association members, and 2 dental surgery fellows elected by the Board of the Faculty of Dental Surgery (FDS). Surgical Council members are elected by ballot by fellows and members of the College. Specialty association members are appointed by a transparent and democratic procedure determined by their appointing surgical specialty association and approved by the Council. In addition, during the year several invited members representing specific interests attended Council meetings.

Elected surgical and dental fellows	
Mr W Allum	
Professor F Bhatti	
Ms G Bowbrick	
Professor A Carr	
Miss D Eastwood	
Dr C Eckhardt	FDS Dean and FDS Board representative
Miss N Fearnhead	
Ms F Ferreira	
Professor P Friend	
Ms L Hamilton	
Miss R Hargest	
Miss S Howells	FDS Board representative
Mr O Karim (to 11 September 2024)	
Ms D Kufeji	
Mr T Lane	
Professor C Lavy	
Professor V Lees	
Professor I Loftus	
Miss B Lovett	
Mr T Mitchell	
Mr R Moorthy	
Professor P Sagar	
Professor F Smith	
Miss C Vella	
Ms L Wyld	
Miss N Yassin	

Surgical specialty association members	
Mr K Allison	British Association of Plastic, Reconstructive and Aesthetic Surgeons
Mr J Epstein	Association of Surgeons of Great Britain and Ireland
Mr W Hellier	ENT UK
Professor I Kamaly-Asl	Society of British Neurological Surgeons
Mr N Moorjani	Society for Cardiothoracic Surgery in Great Britain and Ireland
Mr F Monsell	British Orthopaedic Association
Professor R Sayers	Vascular Society
Mr S Singh	British Association of Paediatric Surgeons
Professor N Soomro	British Association of Urological Surgeons
Mr B Visavadia	British Association of Oral and Maxillofacial Surgeons

Governance

The Board of Trustees has responsibility for the overall direction of the College but delegates all substantive matters relating to professional and public policy to the Council and allows the Council to further delegate its powers. All trustees and Council members are given an induction course and ongoing training on their responsibilities and other matters as required.

The trustees are aware of the Charity Governance Code which sets out the principles and recommended practice for good governance within the sector. The trustees are committed to maintaining high standards of governance and are satisfied that the College applies the principles of the Code within its current governance arrangements. The College's compliance with the Code will be reviewed on an annual basis.

The committees of the Board of Trustees are:

Committee	Chair
Audit and Risk Committee	Mr P Davé (to 30 June 2025)
	Ms V Leung (from 1 July 2025)
Finance and Investment Committee	Miss J Kirby
People and Culture Committee	Mr R Greig
Health and Safety	Mr A Reed (to 31 December 2024)
	Mrs J Weller (from 1 January 2025)
Diversity, Equity and Inclusion Steering Group	Professor F Bhatti

The committees of the Council are:

Committee	Council Member
Learning and Assessment Standing Committee	
Overall responsibility	Professor F Smith
Dental and Surgical Examinations Committee	Miss B Lovett
Learning Committee	Miss R Hargest
Library, Museums and Archives Committee	Miss S Howells
Quality Assurance Operational Group	Professor F Bhatti
Research and Quality Standing Committee	
Overall responsibility	Professor V Lees
Research Committee	Professor I Loftus
Invited Review Mechanism	Professor F Smith
Future of Surgery	Miss N Yassin
Global Affairs Standing Committee	
Overall responsibility	Professor V Lees
Global Oral Health Committee	Dr H Emam and Mr V Patel
Global Policy and Advocacy Committee	Professor I Loftus
Global Surgery Programmes Committee	Professor C Lavy
Membership and Engagement Standing Committee	
Overall responsibility	Professor P Friend
Advisory Appointments	Mr R Moorthy
Ad Eundems	Mr F Monsell
Future Surgeons Forum	Professor P Sagar
Journals Committee	Professor R Sayers

Pride in Surgery (PRiSM) Forum	Ms G Bowbrick
Regional Committee	Professor F Smith
SAS Forum	Ms S Udayasankar
Sustainability Working Group	Ms G Bowbrick
Women in Surgery	Professor F Meyer

Workforce and Training Standing Committee	
Overall responsibility	Professor F Smith

The Faculty of Dental Surgery reports to Council and forms part of the business of the Board of Trustees. The Faculty has its own committee structure and has a Dean to chair the Board of the Faculty. FDS outturns are included in the College's financial statements.

The Board of Trustees delegates to the Chief Executive responsibility for the day-to-day management of the College and the Chief Executive delegates management of specific functions to Executive Directors, each of whom is responsible for a portfolio of directorates.

Subscribing fellows and members elect the Council and the Board of the FDS.

Management

Principal managers employed during 2024-25	
Chief Executive	Mr A Reed (to 31 December 2024)
	Mrs J Weller (acting from 1 January 2025) (permanent from 13 June 2025)
Deputy Chief Executive, Executive Director (Planning and Operations)	Mrs J Weller (to 31 December 2024)
Executive Director (External Affairs and Engagement)	Ms L Davies
Executive Director (Chief Financial Officer)	Mr S Fox (from 16 September 2024)
Executive Director (Professional Development Services)	Mr S Hills
Director of Communications	Mr P Leahy
Director of Dental and Surgical Exams	Mr A Landau
Director of Finance	Ms C Hibbs (to 13 September 2024)
Director of Learning	Ms L Goldring
Director of Library and Archives	Ms S Pink
Director of Membership	Ms N Rowe
Director of Museums	Ms D Kemp
Director of Research and Quality Improvement	Mr R Tomlinson
Director of Strategy, Training and Workforce	Ms K Smith
Registrar of the Faculty of Dental Surgery	Mrs H Johnstone

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of Trustees and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the group, and of their net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed
- and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and the group will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Crowe U.K. LLP has indicated its willingness to be reappointed as the company's auditor for the coming year.

Signed on behalf of the members of the Board of Trustees on 9 February 2026.

T Mitchell
President of Council
Chair of the Board of Trustees

V Lees
Vice-President of Council
Member of the Board of Trustees

Independent Auditor's Report to the Members of the Royal College of Surgeons of England

Opinion

We have audited the financial statements of the Royal College of Surgeons of England ("the Charity ") and its subsidiaries ("the group") for the year ended 30 June 2025 which comprise Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 the parent Charity's affairs as at 30 June 2025 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 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 151 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities

Act 2011 together with the Charities Statement of Recommended Practice (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were GDPR, taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London
Date: 11 February 2026

Crowe U.K. 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.

Financial Statements

Consolidated statement of financial activities for the year ended 30 June 2025

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total 2025 £000	Total 2024 £000
Income from						
Grants, donations and legacies	5a	2,099	2,865	2,753	7,717	2,747
Charitable activities	5b	33,011	27	-	33,038	28,769
Trading activities	5c	1,399	88	-	1,487	1,327
Investment Income	5d	1,107	19	354	1,480	1,572
Total Income		**37,616**	**2,999**	**3,107**	**43,722**	**34,415**
Expenditure On						
Raising funds	6a	625	17	324	966	885
Charitable activities	6b	33,328	4,518	-	37,846	33,483
Other expenditure	6c	4,978	-	-	4,978	853
Total Expenditure		**38,931**	**4,535**	**324**	**43,790**	**35,221**
Net income/(expenditure) before gains		**(1,315)**	**(1,536)**	**2,783**	**(68)**	**(806)**
Net gains/(losses) on investments	11	72	53	980	1,105	10,217
Net income/(expenditure)		**(1,243)**	**(1,483)**	**3,763**	**1,037**	**9,411**
Application of total return	20	-	1,749	(1,749)	-	-
Transfers between funds		503	(503)	-	-	-
Net movement in funds for the year		**(740)**	**(237)**	**2,014**	**1,037**	**9,411**
Balances brought forward at 1 July	16-18	96,733	4,517	42,035	143,285	133,874
Balances carried forward at 30 June 2025	**16-18**	**95,993**	**4,280**	**44,049**	**144,322**	**143,285**

The notes to the financial statements are on pages 28 to 57.

Consolidated balance sheet as at 30 June 2025

	Notes	2025 GROUP £000s	2025 RCS £000s	2024 GROUP £000s	2024 RCS £000s
Fixed assets					
Tangible fixed assets	9	93,047	93,047	96,123	96,123
Intangible fixed assets	9	6,818	6,818	2,006	2,006
Investments	11	80,405	80,405	85,363	85,363
Total fixed assets		**180,270**	**180,270**	**183,492**	**183,492**
Current assets					
Stock		53	20	48	24
Debtors	12	17,475	17,883	10,192	10,374
Cash and short-term deposits		6,361	5,837	7,874	7,716
Total current assets		**23,889**	**23,740**	**18,114**	**18,114**
Current liabilities					
Creditors: amounts falling due within one year	13	(20,443)	(20,294)	(18,278)	(18,278)
Total current liabilities		(20,443)	(20,294)	(18,278)	(18,278)
Net current assets/(liabilities)		**3,446**	**3,446**	**(164)**	**(164)**
Long-term liabilities					
Creditors: amounts falling due after more than one year	13	(44)	(44)	(43)	(43)
Long term loan		(39,350)	(39,350)	(40,000)	(40,000)
Total long-term liabilities		**(39,394)**	**(39,394)**	**(40,043)**	**(40,043)**
Net assets		**144,322**	**144,322**	**143,285**	**143,285**
Funds					
Unrestricted funds:					
Fixed asset funds		68,347	68,347	66,611	66,611
Other designated funds		-	-	154	154
Property revaluation reserve		4,460	4,460	5,233	5,233
General funds		23,186	23,186	24,735	24,735
Total unrestricted funds	**16**	**95,993**	**95,993**	**96,733**	**96,733**
Restricted funds	17	4,280	4,280	4,517	4,517
Endowed funds	18	44,049	44,049	42,035	42,035
Total funds		**144,322**	**144,322**	**143,285**	**143,285**

The notes on pages 28 to 57 form part of these financial statements. The parent charity surplus for the year is £1.0m (2024: £10.1m).

Approved on behalf of the members of the Board of Trustees and authorised for issue on 9 February 2026.

Mr T Mitchell
President of Council
Chair of the Board of Trustees

Professor V Lees
Vice-President of Council
Member of the Board of Trustees

Consolidated cash flow statement as at 30 June 2025

	Notes	Total funds 2025 £000	Total funds 2024 £000
Net cash provided by (used in) operating activities	**A**	**(4,086)**	**(2,475)**
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,480	1,572
Purchase of property, plant and equipment		(4,970)	(1,485)
Proceeds from sale of investments		6,776	2,826
Purchase of investments		(713)	(785)
Net cash provided by / (used in) investing activities		**2,573**	**2,128**
Change in cash and cash equivalents in the reporting period		**(1,513)**	**(347)**
Cash and cash equivalents at the beginning of the reporting period	B	7,874	8,221
Cash and cash equivalents at the end of the reporting period	**B**	**6,361**	**7,874**
A. Reconciliation of cash flows from operating activities			
Net income/(expenditure) for the reporting period (as per statement of financial activities)		**1,037**	**9,411**
Adjustments for:			
Depreciation charges		2,854	2,956
(Gains)/losses on investments		(1,105)	(10,217)
Dividends, interest and rents from investments		(1,480)	(1,572)
Loss/(Profit) on sale of fixed assets		380	79
(Increase)/decrease in stocks		(5)	(7)
(Increase)/decrease in debtors		(7,283)	(1,331)
Increase/(decrease) in creditors		1,516	(1,794)
Net cash provided by/(used in) operating activities		**(4,086)**	**(2,475)**
B. Analysis of cash and cash equivalents			
Current and short term deposits		6,361	7,874
Total cash and cash equivalents		**6,361**	**7,874**

The notes on pages 28 to 57 form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2025

1. Charity information

The Royal College of Surgeons of England was established by Royal Charter in 1800 and is a registered charity in England and Wales (Charity no. 212808).

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and in accordance with the Statement of Recommended Practice (SORP): "Accounting and Reporting by Charities (2019) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", effective from 1 January 2019, and the Charities Act 2011. The College constitutes a public benefit entity as defined by FRS 102.

The financial statements consolidate on a line-by-line basis the financial statements of the Royal College of Surgeons of England and of its subsidiary undertaking, Hunter Trading Limited (company number: 3110552), for the financial year ended 30 June 2024. Intergroup transactions are eliminated on consolidation. Hunter Trading Limited is a private limited company incorporated in England and Wales.

2.1 Going concern

The financial statements have been prepared on a going concern basis. The College has returned a reasonably strong performance for 2024-25, a little ahead of the financial forecast for 2024-25 and in line with the original budget. Economic uncertainty both within the UK and globally remains high with security and trade related concerns but inflation and interest rates are reducing. Expectations for future UK growth are modest but consistent and it is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2027.

The College prepares its annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to its revenue streams before the plan is finalised and approved. This next year will be one of consolidation and progress as the College continues its work to reshape the organisation, develop and broaden its revenue base, including new commercial revenue, and to build and strengthen its membership offer to meet the needs of both the surgical and dental member communities. Revenues are growing strongly but costs have also grown rapidly as we invest to position ourselves for future growth. It is therefore vital that the College's transformation agenda is driven forward and a new business model is developed that positions the College to compete effectively in its marketplace and deliver longer term financial sustainability.

The College has updated its long-term revenue and cash projections for its latest results, annual plan, and other expected changes in its operating position over the next 18 to 24 months. The projections are stress-tested and set the minimum long-term operating surplus target that the College must achieve to meet its interest and repayment obligations in the medium to longer term. The College has sufficient cash reserves to support its general operations over the next 18 to 24 months.

The trustees consider that the College's primary revenue streams remain broadly robust and demand-positive over the medium term, and that any reduction in revenues in this period as a result of a downturn in demand will be short term and recoverable. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to respond to and minimise any adverse impact on its financial position.

The trustees are satisfied that RCS England is in a position to manage effectively its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

3.Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements may require management to make judgements and estimations in the process of applying the College's accounting policies that have a significant effect on the carrying amounts of assets and liabilities in the accounts. The nature of judgement and estimation means that actual outcomes may differ from expectation and may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

No judgements other than those involving estimations have been made by management in the process of applying the College's accounting policies in the preparation of these statements. Sources of estimation uncertainty may vary from year to year and these are reassessed each year to ensure disclosure remains relevant.

Significant areas of estimation uncertainty in respect of the financial statements to 30 June 2025 are set out below:

- application of component accounting in respect of fixed asset items with significantly different useful economic lives;
- determination of useful economic lives for fixed asset items;
- determination of mixed-use property;
- calculation of defined benefit pension scheme liabilities.

3.1. Component accounting

The construction of the redeveloped freehold property was completed on 30 April 2021 and the property was brought into use from this date. The total redevelopment cost was allocated across the relevant fixed asset classes. Major components within each asset class were assigned depreciation measures that reflect their significantly different useful economic lives. This was based upon a detailed assessment of the construction contract provided by the capital programme's cost management consultants and discussions with the consultants to agree the principles of allocation in respect of costs not directly linked to physical assets. Management revised the asset allocation only where required in order to ensure consistency of categorisation and alignment with standard asset accounting categorisations. Other assets within the class were grouped for depreciation purposes and allocated the depreciation measure of the nearest major component asset. Management considers that this approach provides a reasonable basis upon which to depreciate all of the assets within each class (see accounting policy 4.4.1 Tangible fixed assets).

The build and fit-out works in respect of the Hunterian Museum were fully completed by 24 May 2023. The asset was deemed to have been brought into use with an effective date of 1 June 2023. The cost of works has been allocated across the appropriate fixed asset classes based upon a detailed assessment of the contracted works provided by the programme's project management consultants. Components within each asset class were assigned depreciation measures that reflect their different useful economic lives. Costs not directly linked to physical assets were grouped and allocated to the largest component asset.

3.2. Useful economic lives

The depreciation rates adopted in respect of the major components of each fixed asset class arising from the redevelopment of the freehold property have been based on useful economic lives determined by the capital programme's specialist construction cost management consultants.

The depreciation rates adopted in respect of the components of each fixed asset class arising from the museum build and fit-out works have been based on useful economic lives determined by the programme's project management consultants.

Depreciation rates in respect of other fixed asset items in operational use are based on a range of factors including warranty periods and average expected replacement cycles as determined by relevant management personnel.

3.3. Mixed-use property

The College intends to lease part of its freehold property to other organisations for the purposes of earning rental income. The freehold property is therefore a mixed-use property where part of the property is held for use in the ordinary course of business and part of the property is held as an investment property.

The total cost of the freehold property has been apportioned between the net internal area and the gross internal area and then to each floor on a net internal area basis using the area data from the architect-approved floor plans. The investment property is measured at cost at initial recognition and then measured subsequently at fair value in accordance with FRS 102.

An assessment of the fair value is undertaken at each year-end by an appropriately qualified property valuer. The valuation is based upon a set of assumptions and estimates, for example, yields, whereby a small change in these estimates may result in a material impact on the value attributed to the investment property in the financial statements.

3.4. Defined benefit pension scheme liabilities

The College participates in two multi-employer defined benefit pension schemes where the College is exposed to actuarial risks associated with other participating entities and is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Both schemes are currently in surplus (see note 20) so no liability is recognised in these accounts.

4. Principal accounting policies

4.1. Income

Income is recognised when the entitlement is established, there is probability of receipt and the amount can be reliably measured. Income received relating to future accounting periods is deferred and shown as a creditor on the balance sheet.

4.1.1 Course and examination fees are recognised in the financial statements in the period in which the relevant course and examination takes place.
4.1.2 Membership subscription fees are accounted for on an accruals basis.
4.1.3 Grant income (revenue and capital) is accounted for on a receivables basis.
4.1.4 General and specific donations are credited in full in the year of receipt.
4.1.5 Legacy income is recognised when notified, providing the amount is measurable and receipt is probable. If assets are liquid but market linked, a 10% provision against the notified value is made. If assets are illiquid e.g. property, a 20% provision against the notified value is made.
4.1.6 Investment income is credited on a receivables basis.
4.1.7 Other income is accounted for on an accruals basis and recognised in the financial statements to the extent that the contract or service is completed

4.2. Expenditure

All expenditure is accounted for on an accruals basis, and, with the exception of support costs, is attributed directly to each activity undertaken.

Expenditure in respect of charitable activities is categorised to reflect those areas of activity that support the delivery of our strategic priorities.

4.2.1 Employee costs include the net movement in year on the provision for annual leave accrued by employees in respect of services rendered as required by FRS 102.
4.2.2 Support costs are allocated to activities on a basis consistent with the use of these resources: building services costs are charged to departments and faculties based upon area occupied; portering and cleaning services, finance, IT and human resources costs are allocated based on the number of full-time equivalent staff.
4.2.3 Governance costs comprise those costs incurred in relation to the overall strategic management of the College, and the costs of compliance with statutory requirements and under FRS 102 are disclosed as part of support costs and allocated to other professional activities.

4.2.4 Overheads in relation to grant-funded projects are charged, where appropriate, on the basis of their activity.
4.2.5 Grants payable are charged in full in the period in which the recipients are notified of their award.
4.2.6 Fundraising costs comprise the costs incurred in encouraging others to make voluntary contributions to the College and its activities.

4.3. Taxation

The College is a registered charity incorporated by Royal Charter and as such is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.
The College's wholly owned subsidiary, Hunter Trading Limited, is liable to corporation tax, but all profits earned on its trading operations are gifted each year to the College.

The College is partially exempt for the purposes of VAT and is only able to reclaim a percentage element of VAT charged on goods and services purchased.

4.4. Tangible and intangible fixed assets

4.4.1 Tangible fixed assets
Freehold land is stated at historic cost and is not depreciated as it is considered that its value is not impaired by the passage of time and therefore has an unlimited useful life.

Property development project which are not completed at the year-end are shown as 'Assets in the course of construction' and are not depreciated until they are brought into use on practical completion.

In accordance with Section 17 of FRS 102 (Property, Plant and Equipment), all fixed asset items are measured at cost at initial recognition. All items of property, plant and equipment are measured after initial recognition using the cost model. Under this model each fixed asset item is measured at cost less any accumulated depreciation and any accumulated impairment losses. Fixed assets are reviewed for impairment on an annual basis.

The freehold property redevelopment was completed on 30 April 2021. The total cost of redevelopment on practical completion was allocated to four major asset classes; freehold building, plant and machinery, fixtures and fittings, and infrastructure equipment. The major component assets of each asset class were identified. These component assets are subject to significantly different patterns of consumption of economic benefits. The useful life of these assets was determined by construction cost management specialists. The useful lives of each of the major component assets within each asset class have been adopted as the principal component depreciation measures. Other assets that were not identified as major component assets were allocated the useful life of the nearest major component asset as we consider that the useful lives of the major asset components reflect reasonably the varying patterns of consumption of future economic benefits for the entire asset class.

The cost of the completed museum works has been allocated to three major tangible asset classes, plant and machinery, fixtures and fittings, and infrastructure equipment; and to one intangible asset class, computer software. The useful life of the component assets in each asset class has been determined by external cost management specialists and these lives have been adopted as the component depreciation measures.

All assets are depreciated over their useful lives using the straight-line method and the annual depreciation charge is recognised under Other expenditure in the statement of financial activities.

The depreciation measures are set out as follows:

i. Freehold property assets are depreciated over component periods of 45, 60, 75 and 80 years.
ii. Plant and machinery assets are depreciated over component periods of 20, 25 and 40 years.
iii. Fixture and fittings assets are depreciated over component periods of 5, 10, 15, 20, 25, 30 and 50 years.
iv. Infrastructure equipment assets are depreciated over component periods of 5, 8, 10 and 15 years.
v. Furniture assets are depreciated over component periods of 5 and 10 years.
vi. Computer and other equipment is depreciated over 4 years.

4.4.2 Intangible fixed assets
Intangible fixed assets are measured at cost less accumulated amortisation and any impairment losses. Software development costs are recognised as an intangible fixed asset where these create an identifiable software asset from

which future economic benefit will be derived. Any enhancements to existing software assets that result in additional functionality and therefore enhance the value of the asset to the business are also capitalised.
Software development projects which are not completed at the year-end are shown as "Assets in the course of construction" and are not depreciated until they are brought into use on practical completion.

The allocation of the cost of the museum works to fixed asset classes included a software component asset. This has been assigned to the computer software asset class and assigned an appropriate depreciation measure as determined by the external cost management specialists.

All assets are depreciated over their useful lives using the straight-line method and the annual depreciation charge is recognised under "Other expenditure" in the statement of financial activities up until 30 June 2024 but is now treated as art of support costs and allocated across primary expenditure categories.

Software assets are depreciated over component periods of 4 or 10 years.

4.5. Fixed asset investments

Fixed asset investments are stated at fair value at the balance sheet date. These investments include cash held by the investment managers intended for investment or held as part of the portfolio.

In accordance with Section 16 of FRS 102, investment property is property (land, building and part of a building) held by the College for long-term rental yields and for capital appreciation and is not used for operational purposes. Investment property is measured at cost at initial recognition and then is measured subsequently at fair value.

Valuations are carried out for financial accounting purposes in accordance with the Valuation - Global Standards 2020 of the Royal Institution of Chartered Surveyors. Fair value represents the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction.

Changes in fair value representing the net unrealised gains and losses arising on revaluation are recognised in the Statement of Financial Activities together with the realised gains and losses arising from disposals in the year.

Where part of the freehold property is or is intended to be leased to another entity, then the property is deemed to be mixed-use property and the cost of the property must be separated between property, plant and equipment that is held for operational use under tangible fixed assets and investment property that represents the area leased to another entity. If the fair value of the investment property component cannot be measured reliably then the entire property is accounted for as property under tangible fixed assets.

Endowments are accounted for under the total return approach using a base date of 24 June 1992 to determine the permanent capital of each endowment.

4.6. Heritage assets

Heritage assets are books, manuscripts, specimens, objects or other assets that have historic, scientific, artistic, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The College's heritage assets comprise mainly the numerous specimens and artefacts collected by John Hunter in the 1700s and presented to the College in 1799, and leading to the establishment of the Hunterian Museum. The College is by law the proprietor of these specimens and the Hunterian trustees have a duty to ensure that the College maintains the specimens and does not dispose of them. The College also owns historic books related to surgery and medicine which were bequests in the 19th century and are preserved and maintained in the library and are not to be disposed.

No value has been attributed to these heritage assets in the balance sheet on the grounds that the trustees consider there is no reliable method of establishing historic cost information for these artefacts and that the costs of valuation would be disproportionate to the benefit of the resultant information. No heritage assets were purchased during the period of the closure of the Hunterian Museum and no donated heritage assets have been received in this accounting period.

4.7. Stock

Stock comprises goods produced for re-sale, including course manuals purchased or printed, and is stated at the lower of cost and net realisable value.

4.8. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and cash held on readily realisable short-term deposits with approved financial institutions.

4.9. Financial instruments

A financial instrument is broadly defined as a contract that gives rise to a financial asset in one entity and a financial liability in another entity. These financial assets and liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. The College has financial instruments that fall into the category of basic financial instruments as defined under Section 11 of FRS 102. FRS 102 requires disclosure of the measurement bases of these instruments.

Financial assets measured at amortised cost include cash, trade debtors, other debtors and accrued income. Financial assets measured at fair value include investments. Financial liabilities measured at amortised cost include trade creditors, other creditors and accruals.

4.10. Post-employment benefits

The College contributes to four pension schemes on behalf of its employees: the USS, a multi-employer externally funded hybrid scheme providing defined benefits and defined contribution benefits; the SAUL, a multi-employer externally funded defined benefit scheme; the NHS Pension Scheme, a statutory unfunded multi-employer defined benefit public sector scheme; and Standard Life, a defined contribution scheme set up for employees in 2014. The USS scheme changed from a defined benefit only scheme to a hybrid pension scheme with effect from 1 October 2016, providing defined benefits (for all members), as well as defined contribution benefits.

The trustees are satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme, whereby the participating entities are not under common control and the schemes represent industry-wide schemes. Where the employer has entered into an agreement with a multi-employer scheme that determines how the employer will fund a scheme's deficit, FRS 102 requires that the employer recognises the liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the income and expenditure account.

The assets of the USS and SAUL multi-employer schemes are held in separate trustee-administered funds. Given the mutual nature of these schemes, the scheme’s assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other entities’ employees and is unable to identify the College’s share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The College is therefore required under Section 28 of FRS 102 (Employee Benefits), to account for these schemes as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

Formal valuations of USS and SAUL are undertaken every three years by professional qualified and independent actuaries using the projected unit method in which the actuarial liability for benefits makes allowance for projected increases in earnings. The Pensions Act 2004 introduced a new scheme-specific funding regime, requiring schemes to adopt a statutory funding objective and ensure that the schemes' assets are sufficient and appropriate to cover their technical provisions.

The College accounts for the NHS scheme as a defined contribution scheme and the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. The College contributes also to a defined contribution scheme with Standard Life and the pension costs charged to the income and expenditure account represent the contributions payable for the accounting period.

4.11. Other provisions for liabilities

Provisions are recognised when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that the College will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the consideration required to settle this obligation at the end of the reporting period.

4.12. Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

4.13. Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the College's general charitable objectives.

Designated funds are unrestricted funds that have been designated by the trustees to be applied for specific purposes in the future.

Fixed assets funds represent the net book value of the unrestricted tangible and intangible fixed assets less any associated debt raised to finance fixed assets and the trustees consider that these assets are essential to the implementation of the College's operational strategy and that their disposal could adversely impact on the College's ability to deliver its aims.

Restricted funds represent donations, legacies or other grants, given for specific purposes to be expended in accordance with the terms of the donation, legacy or grant.

Endowed funds represent donations or legacies given to the College, the terms of which stipulate that the original capital cannot be spent. The funds are invested to generate an income and capital growth, which can then be expended in accordance with the purposes stated by the donor.

5. Income

	Unrestricted Funds	Restricted Funds	Endowment Funds	2025	2024
Income from:	**£000**	**£000**	**£000**	**£000**	**£000**
5a. Grants, donations and legacies					
Donations	121	663	-	784	347
Grants	-	1,994	-	1,994	1,794
Legacies	1,978	208	2,753	4,939	606
Total	**2,099**	**2,865**	**2,753**	**7,717**	**2,747**
5b. Charitable activities					
Courses	3,424	-	-	3,424	3646
Examinations	9,971	-	-	9,971	9,800
Subscriptions	10,466	9	-	10,475	9,853
Quality and standards income	5,342	-	-	5,342	3,293
Other charitable income	3,808	18	-	3,826	2,177
Total	**33,011**	**27**	**-**	**33,038**	**28,769**
5c. Trading activities					
Income from charitable trading	287	88	-	375	389
Income from taxable trading	1,112	-	-	1,112	938
Total	**1,399**	**88**	**-**	**1,487**	**1,327**
5d. Investment income					
Investment property income	730	-	-	730	757
Investment portfolio income	352	19	354	725	760
Interest received	25	-	-	25	55
Total	**1,107**	**19**	**354**	**1,480**	**1,572**
Income Total	**37,616**	**2,999**	**3,107**	**43,722**	**34,415**

Major legacies or gifts notified but not included in the financial statements, as they do not meet the income recognition criteria of entitlement, probability of receipt and measurement at the balance sheet date amount to £1.1m (2024: £195k).

6. Expenditure

Expenditure on:	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2025 £000	2024 £000
6a. Raising funds					
Fundraising costs	480	-	-	480	437
Investment management fees	145	17	324	486	448
Total	**625**	**17**	**324**	**966**	**885**
6b. Charitable activities					
Quality and standards	5,494	638	-	6,132	4,495
Career and professional development	7,792	601	-	8,393	7,716
Influence and engagement	2,624	72	-	2,696	3,030
Training and assessing surgeons	11,382	97	-	11,479	9,564
Promoting public and professional engagement	3,873	214	-	4,087	3,363
Research	-	2,836	-	2,836	2,819
Faculty of Dental Surgery	2,163	60	-	2,223	2,496
Total	**33,328**	**4,518**	**-**	**37,846**	**33,483**
6c. Other expenditure					
38-43 Lincoln's Inn Fields depreciation	-	-	-	-	2,399
Hunterian Museum depreciation	-	-	-	-	307
Assets written off in the course of construction	-	-	-	-	67
Interest payable	888	-	-	888	888
Other expenditure	4,090	-	-	4,090	293
FRS 102 pension costs	-	-	-	-	(3,101)
Total	**4,978**	**-**	**-**	**4,978**	**853**
Expenditure Total	**38,931**	**4,535**	**324**	**43,790**	**35,221**

Allocated support costs

Support costs comprise building and visitor management services, finance and IT services, human resources and governance costs. These costs are allocated to activities on a basis consistent with the use of these resources. The allocation method and cost of each support service is summarised below.

Support Services	Allocation Basis	2025 £000	2024 £000
Building Services	Space occupied	1,414	1,552
Facilities Services, incl. portering and cleaning	Full-time equivalent staff	1,207	1,120
Human Resources	Full-time equivalent staff	451	389
Finance Services	Full-time equivalent staff	1,957	1,735
IT Services	IT licenses	3,182	2,862
Governance costs	Full-time equivalent staff	1,473	1,320
Project management office	Full-time equivalent staff	491	444
Depreciation	Space occupied	2,696	2,957
Total Support Costs		**12,871**	**12,379**

Support Costs Allocation	Direct costs	Grants made	Allocated support costs	2025	2024
Expenditure on:	**£000**	**£000**	**£000**	**£000**	**£000**
Raising funds					
Fundraising costs	340	-	140	480	437
Investment management fees	486	-	-	486	448
Total	**826**	**-**	**140**	**966**	**885**
Charitable activities					
Quality and standards	5,119	-	1,013	6,132	4,495
Career and professional development	6,256	-	2,137	8,393	7,716
Influence and engagement	1,362	-	1,334	2,696	3,030
Training and assessing surgeons	9,469	-	2,010	11,479	9,564
Promoting public and professional engagement	1,873	-	2,214	4,087	3,363
Research	699	1,926	211	2,836	2,819
Faculty of Dental Surgery	1,830	-	393	2,223	2,496
Total	**26,608**	**1,926**	**9,312**	**37,846**	**33,483**
Other expenditure					
Interest payable	888	-	-	888	888
Other expenditure	671	-	3,419	4,090	3,066
FRS 102 Pension costs	-	-	-	-	(3,101)
Other expenditure	**1,559**	**-**	**3,419**	**4,978**	**853**
Expenditure Total	**28,993**	**1,926**	**12,871**	**43,790**	**35,221**

Governance costs include fees payable to the College's auditors in respect of audit and non-audit services.

Auditors' remuneration	2025 £000	2024 £000
Included in governance costs are:		
Audit fees – The Royal College of Surgeons of England	127	84
Audit fees – Hunter Trading Ltd	5	4
Fees for non-audit fees	29	19
Total	**161**	**107**

7. Research grants

	2025 £000	2024 £000
Research grants expenditure		
Research fellowships	1,932	2,018
Travelling fellowships & other projects	(6)	5
Surgical Trial Units	390	264
Administration	520	532
Total Expenditure	**2,836**	**2,819**
Research fellowships		
Liabilities at the start of the year	(2,226)	(1,830)
Paid in the year	1,533	1,622
Liabilities at the end of the year	2,625	2,226
Charge for the year	**1,932**	**2,018**
Awards		
Research awards	62	68
Travel awards	2	8
Total	**64**	**76**
Research awards include:		
1 year fellowships	21	17
2 year fellowships	2	3
3 year fellowships	-	1
Dental fellowships	12	12
Intercalated Bachelor of Science awards	7	9

Grants totalling £307k were awarded to individuals at institutions with which members of Council are connected (2024: £515k). These members of Council did not participate in the decisions to award the respective grants.

Surgical research fellowships awarded by the College are only eligible to surgical trainees who are members of the College (MRCS) and who have entered their period of specialty training (specialist registrars). The overriding objective of the surgical research projects is to improve care of surgical patients and the projects are based upon the principles of translational research; that is, research examining a specific clinical problem. Details of the research fellowships awarded and other research projects undertaken are available in the annual research report published by the research department.

8. Employee information

	2025	2024
	£000	£000
Salaries and wages	12,824	10,894
National Insurance costs	1,473	1,173
Apprenticeship levy	49	39
Pension costs	1,765	1,730
FRS 102 Pension	-	(3,101)
Total	**16,111**	**10,735**

Redundancy and termination payments arising from restructuring activities during the year totalled £113k (2024: £48k).

No amounts were outstanding at year end (2024: Nil).

The number of staff employed by the College as at 30 June 2025 was as follows:

	2025	2024
Clinical Effectiveness Unit	41	35
Dental & Surgical Examinations	38	35
Fundraising	5	3
Executive Office	7	5
Faculty of Dental Surgery	9	10
Global Affairs	5	5
Joint Committee on Surgical Training	30	25
Learning	28	27
Library and Museum	28	27
Membership and Engagement	36	42
Transform	3	5
Quality Improvement	13	11
Research	5	6
Support Services	48	41
Total	**296**	**277**
The average number of staff employed during the year was 291 (2024: 262)		
At 30 June the number of employees whose emoluments exceeded £60k was:		
£60,000 - £70,000	28	17
£70,001 - £80,000	4	4
£80,001 - £90,000	7	4
£90,001 - £100,000	-	1
£100,001 - £110,000	2	2
£110,001 - £120,000	2	1
£120,001 – £130,000	-	1
£130,001 - £140,000	1	-
£140,001 - £150,000	1	-
£150,001 - £160,000	-	1

RCS England key management personnel are set out on page 20 of the Trustees' Report. Total employee benefits received in the year by the College's key management personnel amounted to £1.67m (2024: £1.57m).

No trustees received any remuneration for services as members of the Board of Trustees in the current and preceding years.

9. Fixed assets (Group and Charity)

Tangible Fixed Assets	Freehold Land	Freehold Property	Fixture and Fittings	Furniture	Plant and Machinery	Infra-structure Equipment	Computer and Other Equipment	Assets in course of construction	2025
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost at 1 July 2024	1,945	67,589	17,836	1,382	12,620	1,819	978	509	104,678
Additions during the year	-	-	-	-	-	-	-	-	-
Adjustments during the year	-	-	-	-	-	-	-	(380)	(380)
At 30 June 2025	**1,945**	**67,589**	**17,836**	**1,382**	**12,620**	**1,819**	**978**	**129**	**104,298**
Depreciation at 1 July 2024	-	(3,004)	(1,918)	(759)	(1,587)	(541)	(746)	-	(8,555)
Charge for the year	-	(895)	(768)	(240)	(511)	(187)	(95)	-	(2,696)
At 30 June 2025	**-**	**(3,899)**	**(2,686)**	**(999)**	**(2,098)**	**(728)**	**(841)**	**-**	**(11,251)**
Net Book Value 2024	1,945	64,585	15,918	623	11,033	1,278	232	509	96,123
Net Book Value 2025	**1,945**	**63,690**	**15,150**	**383**	**10,522**	**1,091**	**137**	**129**	**93,047**

Intangible Fixed Assets	Computer Software	Assets in course of construction	2025
	£000	£000	£000
Cost at 1 July 2024	3,286	1,588	4,874
Additions during the year	-	4,970	4,970
At 30 June 2025	**3,286**	**6,558**	**9,844**
Depreciation at 1 July 2024	(2,868)	-	(2,868)
Charge for the year	(158)	-	(158)
At 30 June 2025	**(3,026)**	**-**	**(3,026)**
Net Book Value 2024	418	1,588	2,006
Net Book Value 2025	**260**	**6,558**	**6,818**

Completion of construction works in respect of the College's freehold property located at 38–43 Lincoln's Inn Fields took effect on 30 April 2021 and the newly redeveloped property was brought into operational use from this date. The total development cost of £102.3m was allocated across the relevant fixed asset categories of freehold property, plant and machinery, fixtures and fittings, and infrastructure equipment. The asset costs are being depreciated on a straight-line basis over a range of component periods and with a maximum period of 80 years for certain freehold property components. The building assets are depreciating currently at an annual rate of approximately £2.4m. All components except freehold property will have been fully depreciated after 25 years.

Investment in the College's digital transformation agenda, including the build of a new CRM system and enterprise platform, is held under intangible assets in the course of construction (£6.57m).

The College has adopted the cost model as the method of subsequent measurement for the freehold property at 38–43 Lincoln's Inn Fields. The College intends to use the second floor office area for long-term rental yields and capital appreciation and is not therefore available for its operational use. FRS 102 requires that this office area is defined as investment property and after its initial recognition at cost is to be measured at fair value. The cost of the investment

property at £4.2m was determined on an apportionment basis from the total cost of the redeveloped freehold property using the net internal area of the leased second floor as a proportion of the total gross internal area. This cost was transferred from tangible fixed assets to fixed asset investments in 2020-21. During the current year the decision was taken to also transfer the third floor to investment property status (see Investments note 11). The cost of this floor was determined at £4.3m on the same basis as previously.

A valuation of the freehold property as at 30 June 2025 was carried out by Gerald Eve, the College's real estate management agency, with an inspection taking place on 15 May 2025. The property is valued at £81.4m, a decrease of 1.1% or £0.9m from the 2024 valuation. The valuers have confirmed that there have been no material changes to the property or its immediate locality between the inspection date and the valuation date of 30 June 2025.

The College exercised the option to tax land (and building) at 38-43 Lincoln's Inn Fields with effect from 1 March 2021.

The sale of a 155-year lease in October 2017 over the College's Nuffield property gave rise to a disposal of land and building. No value was attached to the reversionary interest in the lease because management considers a valuation to be problematic given the length of the lease and unlikely to be of material value. The residual freehold land at 38–43 Lincoln's Inn Fields is stated at the historic cost of £1.95m.

10. Heritage assets

Heritage assets can be acquired by gift, bequest, exchange or purchase on the open market.

The College's heritage assets comprise the designated collections held by the College library, museum and archives. The museum and library closed in June 2017 ahead of the redevelopment of the estate and the collections are now stored in appropriate secure facilities and with partner organisations across a number of locations for the period of the redevelopment.

Most archive and library material can be accessed via a research service based at the London Metropolitan Archives and research access to the museum collections is available on request. All enquiry and online services continue to be available and are detailed on the College website. Preservation and conservation costs continue to be incurred. No heritage assets were capitalised during the year as none exceeded the capitalisation threshold of £1k.

The Hunterian Museum represents a world-class surgical heritage resource that seeks to tell the story of surgeons and surgery over the past three centuries. The main collection is the Hunterian Collection, which comprises approximately 3,700 anatomical specimens and artefacts. These were collected by John Hunter in the 1700s and presented to the College in 1799.

The College Museum Collection holds approximately 3,500 objects associated with surgical and dental research and training since 1800, including anatomy and pathology specimens which are more than 100 years old. The Historical Surgical Instruments Collection comprises approximately 9,000 surgical instruments.

The special collections cover fine and decorative art including portraits and furniture with more than 5,300 objects in this collection.

The library collections became a designated collection under the Designation Scheme of Arts Council England in 2013. They comprise an estimated 115,000 books and pamphlets dating from the 15th century onwards as well as an important collection of rare journals dating from the 17th century onwards.

The 20th century collections focus on surgery, dentistry, anatomy, physiology and pathology, whereas the subjects in the earlier collections reflect the evolution of medicine and surgery. Natural history and other scientific subjects are represented in the library collections, reflecting the work of 19th century College museum curators responsible for the Hunterian Museum. Further information on all of these collections is available on the College website at rcseng.ac.uk.

11. Investments

	Portfolio	Property	Total 2025	Total 2024
	£000	£000	£000	£000
Investments				
Quoted securities at market value	63,312	-	63,312	66,218
Deposits with Investment Managers	878	-	878	2,145
Investment properties at fair value	-	16,215	16,215	17,000
Fair value at 30 June 2025	**64,190**	**16,215**	**80,405**	**85,363**
Movements in the year:				
Fair value at 1 July	68,363	17,000	85,363	72,906
Additions	725	(12)	713	5,066
Disposals	(6,776)	-	(6,776)	(2,826)
Net gain/(loss) during the year	1,878	(773)	1,105	10,217
Fair value at 30 June 2025	**64,190**	**16,215**	**80,405**	**85,363**
Portfolio UK investments	878	-	878	2,145
Portfolio overseas investments	63,312	-	63,312	66,218
	64,190	**-**	**64,190**	**68,363**

	Cost	Fair Value 2024	Additions 2025	Fair Value 2025	SOFA Gain/(Loss)
Investment Properties	£000	£000	£000	£000	£000
49-50a Lincoln's Inn Fields	361	2,450	(12)	2,265	(173)
38-43 Lincoln's Inn Fields (Leased Floor 2)	4,201	7,250	-	6,900	(350)
38-43 Lincoln's Inn Fields (Leased Floor 3)	4,281	7,300	-	7,050	(250)
Investment Property	**8,843**	**17,000**	**(12)**	**16,215**	**(773)**

The second and third floor of the freehold property, which are intended to be leased to other organisations and are not therefore available for operational use, are held as investment properties.

The second floor had a cost of £4.2m on transfer from tangible fixed assets in 2021. A valuation of £6.9m exclusive of VAT has been attributed to the investment property as part of the valuation of the whole building carried out by in June 2025 resulting in a revised cumulative net unrealised gain of £2.7m and a decrease of £350k on 2024 (2024: £3.05m).

The third floor had a cost of £4.3m on transfer from tangible fixed assets in 2024. A valuation of £7.05m exclusive of VAT has been attributed to the investment property as part of the valuation of the whole building carried out by Gerald Eve in June 2025 resulting in a revised cumulative net unrealised gain of £2.75m and a decrease of £250k on 2024 (2024: £3.0m).

A discount of 1.25% (2024: 1.25%) has been applied to the rental yield assumptions to reflect the 'strip' nature of the investment property.

A valuation of the College's investment property at 49–50a Lincoln's Inn Fields at 30 June 2024 was also carried out by Gerald Eve in June 2024. This resulted in a reduction of the carrying value of these assets decreasing by £185k, reflecting both the relative condition of the property and also the decreasing income security ahead of the main tenant break date in February 2027.

The valuers have confirmed that there have been no material changes to the properties or their immediate locality between the inspection date and the valuation date of 30 June 2025. The valuations are undertaken by an independent valuer as defined by the Valuation Standards and assurance is obtained that the individuals carrying out these valuations have the appropriate knowledge, skills and experience to undertake the valuation competently.

12. Debtors

	2025		2024	
	Group	RCS	Group	RCS
	£000	£000	£000	£000
Trade debtors	4,607	4,607	4,456	3,726
Membership debtor	1,714	1,714	1,577	1,577
Accrued income	9,679	8,694	2,917	2,079
Prepayments	866	866	662	662
Other debtors including taxation	609	609	580	580
Amounts from group undertakings	-	1,393	-	1,750
Total	**17,475**	**17,883**	**10,192**	**10,374**

13. Creditors

	2025		2024	
	Group	RCS	Group	RCS
	£000	£000	£000	£000
13a. Amounts falling due within one year				
Accruals	4,948	4,799	3,788	3,788
Membership income in advance	3,622	3,622	3,621	3,621
Deferred income	5,922	5,922	6,441	6,441
Research grants payable	2,625	2,625	2,226	2,226
Trade creditors	1,845	1,845	1,425	1,425
Other creditors	447	447	469	469
Loan	650	650	-	-
Taxation and social security	384	384	308	308
Total	**20,443**	**20,294**	**18,278**	**18,278**
13b. Amounts falling due after more than one year				
Other creditors and accruals	44	44	43	43
Long-term loan	39,350	39,350	40,000	40,000
Total	**39,394**	**39,394**	**40,043**	**40,043**
13c. Analysis of deferred income				
Brought forward at 1 July	6,441	6,441	5,889	5,889
Deferred during the year	5,922	5,922	6,441	6,441
Released as income during the year	(6,441)	(6,441)	(5,889)	(5,889)
Carried forward at 30 June 2025	**5,922**	**5,922**	**6,441**	**6,441**

Deferred Income comprises examination fees, course fees, accreditation fees and quality assurance contract fees.

Long-term loan

In the autumn of 2020, the College secured long-term financing through a private placement issue with Pension Insurance Corporation Group Ltd, a UK-based insurance company. The issue provided £40m of unsecured funding at an annual coupon rate of 2.22% with a maturity date of 30 years (due 3 November 2050) and weighted average life of 20.05 years. This funding was settled on 3 November 2020. The funds have been used to fund the redevelopment costs of the freehold property and the works to build and fit out the Hunterian Museum.

Interest is payable semi-annually on 3 May and 3 November each year and commenced on 3 May 2021. The principal sum will be repayable semi-annually on the 3 May and 3 November each year commencing 3 May 2026 until 3 May 2050 with a final sum of £8.15m repayable on 3 November 2050. The loan carries one financial covenant that must be tested on an annual basis. The covenant requires that the ratio of net debt of the Group to the net assets of the Group at 30 June shall not exceed 50%.

14. Financial instruments

	2025	2024
	£000	£000
Financial assets measured at amortised cost	22,469	17,402
Financial assets measured at fair value	63,776	68,363
Financial liabilities measured at amortised cost	(45,595)	(47,248)

15. Hunter Trading Limited

	2025	2024
	£000	£000
Profit & loss account		**Restated**
Income	1,112	948
Expenditure	146	115
Profit before tax	**966**	**833**
Profits gifted to RCS	(966)	(704)
Interest payable	-	(4)
Profit before tax	-	125
Tax payable	-	(125)
Result for the year	**-**	**-**

	2025	2024
	£000	£000
Balance sheet		
Bank	524	158
Stock	33	24
Debtors	985	1,578
Total current assets	**1,542**	**1,760**
Creditors: due within one year	(1,542)	(1,760)
Net Assets	**-**	**-**

The College holds the entire issued £1 share capital of Hunter Trading Limited.

Conference events are outsourced to Searcys, a long-established, independent and highly respected catering company with commission under a profit share arrangement being received by Hunter Trading Limited. The company has delivered another very strong trading performance that has exceeded expectations for this year.

16. Unrestricted funds

	2024	Net Surplus/ (Deficit)	Investment Gains/Losses	Transfers from Restricted Funds	SOFA Allocation	Fixed Asset Allocation	2025
	£000	£000	£000	£000	£000	£000	£000
Fixed assets reserve net of LT loan	66,611	-	-	-	(3,234)	4,970	68,347
Other designated funds	154	-	-	-	-	(154)	-
Property revaluation reserve	5,233	-	(773)	-	-	-	4,460
General funds	24,735	(1,315)	845	503	3,234	(4,816)	23,186
Total	**96,733**	**(1,315)**	**72**	**503**	**-**	**-**	**95,993**

Unrestricted reserves have decreased overall by 1% or £0.7m in the year. This is represented by a net income deficit position of £1.3m for the year and a net unrealised gains of £0.1m on unrestricted investments and a £0.5m transfer from Restricted Funds.

The investment loss comprises a net unrealised gain of £0.85m in respect of the unrestricted investments portfolio and a net unrealised loss of £0.77m in respect of investment properties. The investment property loss comprises a loss of £250k in respect of the leased second floor, a loss of £350Km in respect of the third floor and a loss of £173k in respect of 49–50a Lincoln's Inn Fields. A property revaluation reserve is set up to hold investment gains or losses arising in respect of the investment properties.

General funds have decreased 6% or £1.5m to £22.0m. The £40m loan to finance the property redevelopment is allocated to the fixed asset reserve, thereby reducing the amount of the College's funds that are required to be invested in its fixed assets. In-year capital additions transferred to the fixed assets reserve totalled £5.0m.

General funds are broadly represented by our unrestricted investment portfolio, which is providing 87% cover (2024: 93%) at a value of £20.1m as at 30 June 2025 (2024: £23.0m).

The trustees designated £1.5m in 2021 (Other designated funds) to support the next major phase of the digital transformation agenda. This had all been expended by the end of the year and transferred to the fixed assets reserve.

17. Restricted funds

	2024	Income	Expenditure	Gains/ (Losses)	Transfers	2025
	£000	£000	£000	£000	£000	£000
Trust Funds	2,324	274	(391)	53	-	2,260
Other restricted funds	2,193	2,725	(2,395)	-	(503)	2,020
Total Restricted Funds	**4,517**	**2,999**	**(2,786)**	**53**	**(503)**	**4,280**
RCS has 22 trust funds and their position is set out below:						
Research Trust Funds:						
Sir Alan Parks Research Fund	209	2	(75)	5	-	141
Saven Research & Development Programme	338	3	(104)	8	-	245
Surgical Research Fund	146	6	(11)	4	-	145
Mr Sorab J Lam Legacy	97	1	(2)	2	-	98
Ethicon Travelling Fellowship	207	7	(2)	5	-	217
Modi Fund	157	1	(62)	4	-	100
Blond McIndoe (Joint Fund with Education)	70	21	(1)	2	-	92
The Arthritis Research Trust	508	212	(124)	11	-	607
Roberta Swan Legacy	10	-	-	-	-	10
Preiskel Fund	79	2	(4)	2	-	79
RCSE Fellows Fellowship Fund	85	8	(1)	2	-	94
Miss Carol Rummey Legacy	61	1	(1)	1	-	62
Gunnar Nilsson Cancer Treatment Trust Fund	24	-	-	1	-	25
Curry Legacy Damage/Pain	19	-	-	-	-	19
H Speight Discretionary Trust	19	8	-	-	-	27
Phyllis A George Legacy	8	-	-	-	-	8
Cutner Legacy	7	-	-	-	-	7
Rex & Jean Lawrie O/S Fund	5	-	-	-	-	5
Ethicon Research Fund	1	-	-	-	-	1
Shrimpton Fund	1	-	-	-	-	1
Education & Training Trust Funds:						
E&T Haddock Legacy	47	-	(1)	1	-	47
Faculty of Dental Surgery Funds:						
J W Mclean Fund	226	2	(3)	5	-	230
Total Trust Funds	**2,324**	**274**	**(391)**	**53**	**-**	**2,260**
Grants and donations are summarised as follows:						
Other restricted funds:						
Immersive Programme	69	10	(131)	-	500	448
National Lung Cancer Audit	293	-	(113)	-	(180)	-
eDEN (elearning for dentistry)	282	3	(1)	-	-	284
Expert Advisory Network	155	58	(8)	-	-	205
FDS-NAC	135	9	(17)	-	-	127
Other Balances less than £100,000	1,259	2,645	(2,125)	-	(823)	956
Total Other Funds	**2,193**	**2,725**	**(2,395)**	**-**	**-**	**2,020**
Total Restricted Funds	**4,517**	**2,999**	**(2,786)**	**53**	**-**	**4,280**

18. Endowed funds

	Unapplied Total Return	Permanent Capital	Total Endowment
	£000	£000	£000
Endowed Funds at 1 July 2024	27,084	14,951	42,035
Investment income	354	-	354
Legacy income	53	2,700	2,753
Investment gains	980	-	980
Total income and gains	**1,387**	**2,700**	**4,087**
Application of total return	(1,749)	-	(1,749)
Investment management fees	(324)	-	(324)
Total application and fees	**(2,073)**	**-**	**(2,073)**
Net movement in year	**(686)**	**2,700**	**2,014**
Total Endowed Funds at 30 June 2025	**26,398**	**17,651**	**44,049**

RCS England has 22 endowed funds and the 2024–25 position is set out below by fund.

Fund Name	Unapplied Total Return 2024 £000	Investment Income £000	Legacy income £000	Investment Gains £000	Applied Total Return 2025 £000	Investment Fees £000	Unapplied Total Return 2025 £000	Permanent Capital £000	2025 Total £000
RCSE Research Fund	5,862	81	-	225	(450)	(74)	5,644	3,784	9,428
RCSE Education Fund	4,780	60	-	167	(410)	(55)	4,542	2,262	6,804
RCSE Cancer Research Fund	3,666	46	-	126	(280)	(42)	3,516	1,756	5,272
Presidents Finch Fund	1,791	32	-	89	(26)	(29)	1,857	2,108	3,965
Dental Science Research Fund	1,654	24	-	66	(135)	(22)	1,587	1,016	2,603
Rank Chair Physics in Surgery	1,598	22	-	60	(140)	(20)	1,520	955	2,475
The Mullally-Mancer Fellowship	-	-	2,700	-	-	-	-	2,700	2,700
RCSE Library Fund	1,483	19	-	53	(97)	(17)	1,441	833	2,274
RCSE Biochemical Research Fund	879	11	-	29	(46)	(10)	863	374	1,237
Witt Fund	745	8	53	21	(32)	(7)	788	182	970
Macrae-Webb Johnson Fund	484	7	-	21	(60)	(7)	445	425	870
Moser Trust (FDS)	650	7	-	19	(3)	(6)	667	173	840
HS Morton Travelling Fellowship	494	6	-	16	(12)	(5)	499	200	699
Groves Bequest for Museum	470	5	-	14	(22)	(5)	462	161	623
John Kinross Fund	500	5	-	14	(2)	(5)	512	104	616
George Qvist for Hunterian	398	5	-	14	(22)	(5)	390	209	599
RCSE Prize Fund	434	4	-	11	(2)	(4)	443	61	504
Sims Commonwealth Travelling Fell.	303	3	-	9	(1)	(3)	311	106	417
Commemoration Fund (FDS)	247	2	-	7	(1)	(2)	253	66	319
RCSE Scholarship Fund	210	2	-	6	(1)	(2)	215	51	266
Rishworth Fund for Annals	170	2	-	5	(1)	(2)	174	50	224
Darlow Fellowship Fund	145	2	-	5	(2)	(1)	149	67	216
RCSE Museum Fund	121	1	-	3	(4)	(1)	120	8	128
Total Endowed Funds	**27,084**	**354**	**2,753**	**980**	**(1,749)**	**(324)**	**26,398**	**17,651**	**44,049**

9 of the 22 funds have closing balances greater than £1m, amounting to £36.5m of the £43.8m of funds at 30 June 2025. A brief description of their purposes is provided below.

Fund name	Purpose of fund
RCSE Research Fund	To promote, carry on and fund study and research into surgery and related subjects and to publish useful results of such study and research
RCSE Education Fund	To educate surgeons, medical practitioners and the general public in the art, science and practice of surgery and related subjects and to further instruction and training in surgery
RCSE Cancer Research Fund	To promote, carry on and fund study and research into cancer and its preventative treatment and care and to publish useful results of such study and research
Presidents Finch Fund	Income to be applied for charitable purposes which will be of service for the welfare and advancement of the Science and Art of Surgery
Dental Science Research Fund	For the promotion of research into improving dental treatment and dental health
Rank Chair Physics in Surgery	To support research work
The Mullally-Mancer Fellowship	To support research fellowships
RCSE Library Fund	To promote, carry on, maintain and fund the establishment of libraries of the RCS for the furtherance of study and research into surgery and related objects
RCSE Biochemical Research Fund	To further biochemical research by such means as the Trustees shall from time to time see fit

The remaining 14 funds with balances of less than £1m, and amounting to £7.3m, are summarised under the following categories:

Research Funds	Faculty of Dental Surgery Funds	Museum Funds	Travelling Fellowship (F/S) Funds	Other Funds
Darlow Fellowship Fund	Commemoration Fund	Macrae-Webb Johnson Fund	HS Morton Travelling F/S	Rishworth Fund for Annals
RCSE Prize Fund	Moser Trust	Groves Bequest for Museum	Sims Commonwealth Travel F/S	John Kinross Fund
RCSE Scholarship Fund		George Qvist for Hunterian		
Witt Fund		RCSE Museum Fund		

19. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2025
As at 30 June 2025	**£000**	**£000**	**£000**	**£000**
Tangible fixed assets	93,047	-	-	93,047
Intangible fixed assets	6,803	15	-	6,818
Investments	36,374	2,158	41,873	80,405
Current assets	15,370	5,565	2,954	23,889
Current liabilities	(15,557)	-3,458	(778)	(19,793)
Liabilities after 1 year	(40,044)	-	-	(40,044)
Total Funds	**95,993**	**4,280**	**44,049**	**144,322**

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2024
As at 30 June 2024	**£000**	**£000**	**£000**	**£000**
Tangible fixed assets	96,123	-	-	96,123
Intangible fixed assets	2,000	6	-	2,006
Investments	39,996	2,328	43,039	85,363
Current assets	12,466	5,630	18	18,114
Current liabilities	(13,809)	(3,447)	(1,022)	(18,278)
Liabilities after 1 year	(40,043)	-	-	(40,043)
Total Funds	**96,733**	**4,517**	**42,035**	**143,285**

20. Pension liabilities and charges

	2025	2024
	£000	£000
USS Defined pension liability	-	-
Liability greater than 1 year	-	-
Summary of pension scheme charges to Statement of Financial activities:		
USS	670	(2,316)
SAUL	838	797
Standard Life	141	108
NHS	116	40
Total	**1,765**	**(1,371)**
Charges in respect of the USS scheme to Statement of Financial activities:		
Employer contributions	670	785
Change in contributions from past expectations	-	(2,956)
Total pension contribution cost	670	(2,171)
Interest payable	-	(145)
Total pension charge	670	(2,316)
Scheme employee members	Nos.	Nos.
USS	79	80
SAUL	124	116
Standard Life	51	40
NHS	15	10
Total employees in a pension scheme	269	246

The College participates in two multi-employer defined benefit pension schemes, USS and SAUL. Both schemes carry out a formal actuarial valuation every three years as required by the Pensions Act 2004. The latest available complete actuarial valuations were carried out with an effective date of 31 March 2023. Both schemes carry out informal reviews of the funding position between formal valuations, reflecting changes in market conditions, cash flow information and new accrual of benefits.

According to the latest valuations, both the USS and SAUL schemes are in technical surplus and there is no liability for the College to recognise.

The USS 2023 valuation and funding proposals were filed with The Pensions Regulator in December 2023.

Under the 2023 valuation, the scheme contribution rates were set at 31.4% of salaries (employer 21.6%, employee 9.8%) to 31 December 2023 and 20.6% of salaries (employer 14.5%, employee 6.1%) from 1 January 2024 with no deficit contribution payment required.

The SAUL 2023 valuation confirmed that the scheme was 105% funded on its Technical Provisions basis at 31 March 2023 with its assets valued at £3,092m. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required and there is no defined benefit liability to be recognised.

The 31 March 2024 update showed a further increase in the funding level to 109%. As a result, the trustees decided to reduce the contribution rate to 19% from 1 September 2024 (previously 21%).

Supplementary scheme disclosures

Since the College cannot identify its share of the assets and liabilities of the USS and SAUL schemes, the following disclosures have been provided by the respective pension schemes to reflect those relevant for the schemes as a whole.

USS

The 2023 valuation was the seventh valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective that is to have sufficient and appropriate assets to cover their technical provisions. An interim funding statement was issued as at September 2025 showing a significantly improved financial position.

Scheme summary position at 31 March	2025 2025 Update	2024 2023 Valuation
	£bn	£bn
Scheme assets	77.2	73.1
Scheme liabilities	61.8	65.7
FRS 102 Scheme surplus/(deficit)	15.4	7.4
FRS 102 Funding level	125%	111%

SAUL

SAUL is a centralised defined benefit scheme within the United Kingdom for the non-academic staff of over 50 colleges and institutions with links to higher education.

The SAUL Final Salary Section closed at 31 March 2016 and from 1 April 2016 all members now build up pension benefits on a CARE basis.

The College is not expected to be liable to SAUL for any other current participating employer's obligations under the rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the Technical Provisions). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met. The Technical Provisions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

Scheme summary position at 31 March	2025 and 2024 2024 Update
	£m
Scheme assets	3,058
Scheme liabilities	2,815
FRS 102 Scheme surplus/(deficit)	243
FRS 102 Funding level	109%

Other pension schemes

The College pays a contribution rate of 9% into the Standard Life defined contribution scheme and a contribution rate of 16.64% (16.18% to March 2024) into the NHS Pension Scheme. No contributions in respect of these schemes were outstanding at the balance sheet date.

21. Related party transactions

No trustees receive any fees or honoraria for their services. Trustees may incur expenses in the carrying out of their duties; for example, travel, subsistence and accommodation costs. These expenses may be reimbursed to the trustees or paid directly by the College to third parties on their behalf. Expenses totalling £50k were incurred in respect of 12 trustees during the 2024–25 year (2024: £48k in respect of 11 trustees).

The President of the College received the following benefits during the reporting period in order to carry out his trustee duties:

- provision of rental accommodation amounting to £101k (2024: £61k);
- settlement of tax arising on the above benefits amounting to £122k (2024: £59k).

In addition, provision of broadband for a past President amounting to £8k (2024: £6k).

These benefits were approved by the lay trustees of the Board under the authority of the College's ordinances.

Donations totalling £3k were received from trustees during the current period (2024: nil). There were no related party transactions in the period.

22. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £0.8m in respect of software build and design contracts delivering the IT transformation programme (2024: £1.8m), £0.18m in respect of museum repairs following flood (2024: £0m) and £38k in respect of the contract for the build of the Immersive Suite (2024: £0.15m)

23. Operating leases

	2025	2024
	Office Equipment	Office Equipment
	£000	£000
Payments due:		
Within one year	9	13
Between one and two years	-	9
Total	**9**	**22**

These represent the future minimum payments that the College is committed to make under operating leases.

24. Restricted funds 2024 for comparison

	2023	Income	Expenditure	Gains/(Losses)	2024
	£000	£000	£000	£000	£000
Trust Funds	1,978	468	(374)	252	2,324
Other restricted funds	2,732	2,178	(2,717)	-	2,193
Total Restricted Funds	**4,710**	**2,646**	**(3,091)**	**252**	**2,193**
RCS has 22 trust funds and their position is set out below:					
Research Trust Funds:					
Sir Alan Parks Research Fund	186	2	(2)	23	209
Saven Research & Development Programme	377	5	(96)	52	338
Surgical Research Fund	185	12	(77)	26	146
Mr Sorab J Lam Legacy	137	2	(59)	17	97
Ethicon Travelling Fellowship	189	2	(7)	23	207
Modi Fund	140	2	(2)	17	157
Blond McIndoe (Joint Fund with Education)	97	1	(40)	12	70
The Arthritis Research Trust	82	426	(10)	10	508
Roberta Swan Legacy	8	1	(8)	9	10
Preiskel Fund	73	3	(4)	7	79
RCSE Fellows Fellowship Fund	78	6	-	1	85
Miss Carol Rummey Legacy	54	1	(1)	7	61
Gunnar Nilsson Cancer Treatment Trust Fund	16	1	(1)	8	24
Curry Legacy Damage/Pain	17	-	-	2	19
H Speight Discretionary Trust	17	-	-	2	19
Phyllis A George Legacy	8	-	-	-	8
Cutner Legacy	7	-	-	-	7
Rex & Jean Lawrie O/S Fund	5	-	-	-	5
Ethicon Research Fund	1	-	-	-	1
Shrimpton Fund	1	-	-	-	1
Education & Training Trust Funds:					
E&T Haddock Legacy	99	1	(65)	12	47
Faculty of Dental Surgery Funds:					
J W Mclean Fund	201	3	(2)	24	226
Total Trust Funds	**1,978**	**468**	**(374)**	**252**	**2,324**
Grants and donations are summarised as follows:					
Other restricted funds:					
Transform Fundraising	403	-	-	-	403
National Lung Cancer Audit	350	74	(131)	-	293
eDEN (elearning for dentistry)	271	12	(1)	-	282
Expert Advisory Network	148	28	(21)	-	155
FDS-NAC	136	16	(17)	-	135
Other Balances less than £100,000	1,424	2,048	(2,547)	-	925
Total Other Funds	**2,732**	**2,178**	**(2,717)**	**-**	**2,193**
Total Restricted Funds	**4,710**	**2,646**	**(3,091)**	**252**	**4,517**

25. Endowed funds 2024 for comparison

	Unapplied Total Return	Permanent Capital	Total Endowment
	£000	£000	£000
Endowed Funds at 1 July 2023	23,704	14,951	38,655
Investment income	510	-	510
Investment gains/(losses)	4,837	-	4,837
Total income and gains	**5,347**	**-**	**5,347**
Application of total return	(1,672)	-	(1,672)
Investment management fees	(295)	-	(295)
Total application and fees	**(1,967)**	**-**	**(1,967)**
Net movement in year	**3,380**	**-**	**3,380**
Total Endowed Funds at 30 June 2024	**27,084**	**14,951**	**42,035**

RCS England has 22 endowed funds and the 2023–24 position is set out below by fund.

Fund Name	Unapplied Total Return 2023 £000	Investment Income £000	Investment Gains/ (Losses) £000	Applied Total Return 2024 £000	Investment Fees £000	Unapplied Total Return 2024 £000	Permanent Capital £000	2024 Total £000
RCSE Research Fund	5,110	118	1,116	(414)	(68)	5,862	3,784	9,646
RCSE Education Fund	4,289	88	837	(383)	(51)	4,780	2,262	7,042
RCSE Cancer Research Fund	3,239	66	631	(231)	(39)	3,666	1,756	5,422
Presidents Finch Fund	1,369	45	427	(24)	(26)	1,791	2,108	3,899
Dental Science Research Fund	1,533	34	322	(215)	(20)	1,654	1,016	2,670
Rank Chair Physics in Surgery	1,415	31	299	(129)	(18)	1,598	955	2,553
RCSE Library Fund	1,306	28	262	(97)	(16)	1,483	833	2,316
RCSE Biochemical Research Fund	763	15	144	(34)	(9)	879	374	1,253
Witt Fund	646	11	101	(7)	(6)	745	182	927
Macrae-Webb Johnson Fund	425	11	104	(50)	(6)	484	425	909
Moser Trust (FDS)	559	9	90	(3)	(5)	650	173	823
HS Morton Travelling Fellowship	440	8	78	(27)	(5)	494	200	694
Groves Bequest for Museum	419	7	71	(22)	(5)	470	161	631
George Qvist for Hunterian	349	7	68	(22)	(4)	398	209	607
John Kinross Fund	433	7	66	(2)	(4)	500	104	604
RCSE Prize Fund	379	6	54	(2)	(3)	434	61	495
Sims Commonwealth Travel Fellowship	258	5	44	(1)	(3)	303	106	409
Commemoration Fund (FDS)	212	4	34	(1)	(2)	247	66	313
RCSE Scholarship Fund	182	3	28	(1)	(2)	210	51	261
Rishworth Fund for Annals	145	3	24	(1)	(1)	170	50	220
Darlow Fellowship Fund	123	2	23	(2)	(1)	145	67	212
RCSE Museum Fund	110	2	14	(4)	(1)	121	8	129
Total Endowed Funds	**23,704**	**510**	**4,837**	**(1,672)**	**(295)**	**27,084**	**14,951**	**42,035**

26. Prior year adjustment

During 2024/25 it was determined that contracts with the National Cancer Audit Collaborating Centre (NATCAN), which had previously been accounted for as Restricted Fund grants, should correctly be accounted for as unrestricted charitable contracts and classified as Quality & Standards charitable income. The contract began in July 2022 so the accounts have been restated as if the contract had always been correctly treated.

Restricted income is recognised on receipt while unrestricted contract income is recognised according to the best estimate of contract stage of completion.

	£
Restricted funds	
As previously stated at 30 June 2023	5,869 as per accounts
Defer NATCAN funds previously recognised in restricted funds at 2023	(1,160)
Restated restricted funds at 30 June 2023	**4,709**
As previously stated at 30 June 2024	6,396 as per accounts
Defer NATCAN funds previously recognised in restricted funds at 2024	(1,879)
Restated restricted funds at 30 June 2024	**4,517**
Balance Sheet	
Group deferred income previously reported FY24	4,562
Defer NATCAN funds previously recognised in income in FY23 and FY24	1,879
Restated group deferred income previously reported FY24	**6,441**
SOFA	
Income	
Restricted grants, donations and legacies reported in FY24	5,423 per SOFA
Reclassify NATCAN to unrestricted charitable activities	(2,198)
Defer income in FY24 not entitled to recognise	(719)
Restated grants, donations and legacies reported in FY24	**2,506**
Unrestricted charitable activities reported in FY24	26,528
Reclassify NATCAN from restricted grant income	2,198
Restated unrestricted charitable activities FY24	**28,726**
Expenditure	
Unrestricted charitable activities previously reported FY24	26,538
Reclassify NATCAN restricted expenditure to unrestricted expenditure	2,198
Restated unrestricted charitable activities FY24	**28,736**
Restricted charitable activities previously reported FY24	6,945
Reclassify NATCAN restricted expenditure to unrestricted expenditure	(2,198)
Restated restricted charitable activities FY24	**4,747**

27. Statement of financial activities for the year ended 30 June 2024 for comparison

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Totals 2024 £000	Totals 2023 £000
Income from						
Grants, donations and legacies	5a	241	2,506	-	2,747	5,940
Charitable activities	5b	28,726	43	-	28,769	24,924
Trading activities	5c	1,257	70	-	1,327	1,101
Investment Income	5d	1,035	27	510	1,572	1,580
Total Income		**31,259**	**2,646**	**510**	**34,415**	**33,545**
Expenditure On						
Raising funds	6a	575	15	295	885	1,036
Charitable activities	6b	26,538	6,945	-	33,483	30,090
Other expenditure	6c	853	-	-	853	4,983
Total Expenditure		**27,966**	**6,960**	**295**	**35,221**	**36,109**
Net income/(expenditure) before investment gains/(losses)		**1,095**	**(1,397)**	**215**	**(87)**	**(2,564)**
Net gains/(losses) on investments	11	5,128	252	4,837	10,217	111
Net income/(expenditure)		**6,223**	**(1,145)**	**5,052**	**10,130**	**(2,453)**
Application of total return	20	-	1,672	(1,672)	-	-
Net movement in funds for the year		**6,223**	**527**	**3,380**	**10,130**	**(2,453)**
Balances brought forward at 1 July 2023	16-18	90,510	5,869	38,655	135,034	137,487
Balances carried forward at 30 June 2024	**16-18**	**96,733**	**6,396**	**42,035**	**145,164**	**135,034**

Reference and administrative details

Principal advisors

Bankers

C Hoare & Co	37 Fleet Street, London EC4P 4DQ
Barclays Bank PLC	1 Churchill Place, London E14 5HP

External auditor

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Internal auditor

Mazars LLP	Tower Bridge House, St Katharine's Way, London E1W 1DD

Solicitors

BDB Pitmans LLP	One Bartholomew Close, London EC1A 7BL
Farrer & Co LLP	66 Lincoln's Inn Fields, London, WC2A 3LH
Veale Wasbrough Vizards LLP	Narrow Quay House, Narrow Quay, Bristol BS1 4QA

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Property development advisors

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Real estate advisors

Newmark LLP	72 Welbeck Street, London, W1G 0AY

Registered Office

The Charity's registered office is at 38–43 Lincoln's Inn Fields, London WC2A 3PE.

Royal College of Surgeons of England

ADVANCING SURGICAL CARE

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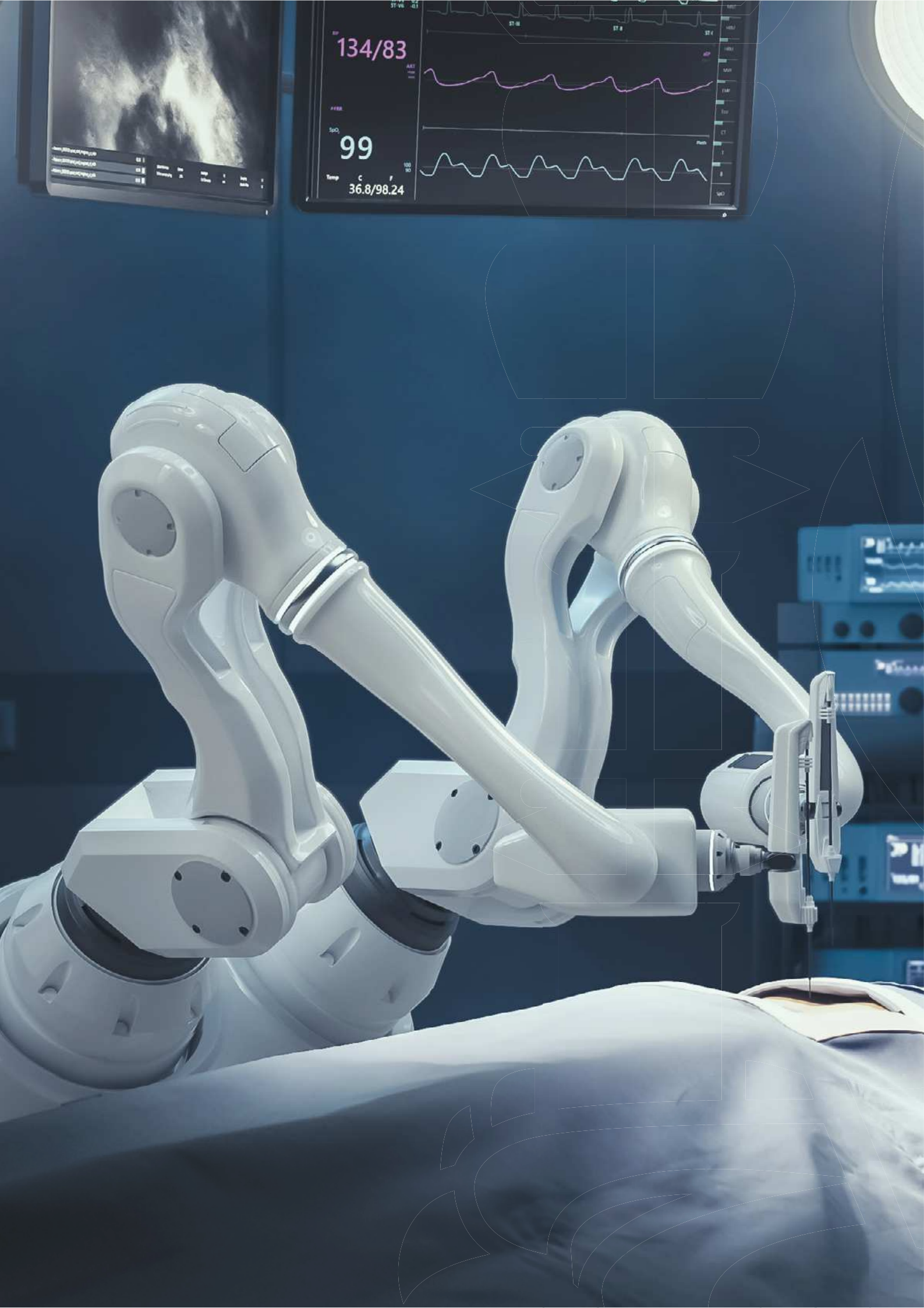
Accounts

Royal College of Surgeons of England
ADVANCING SURGICAL CARE

The Royal College of Surgeons of England

Annual Report and Accounts 2023–2024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Contents

President's foreword 2
Chief Executive's statement 4

TRUSTEES' REPORT 5

Our objects and aims 5
What we have achieved this year 6
Leading our profession 6
Improving practice 8
Supporting and engaging with our members 16
Embracing diversity 19
Transforming our College 20
Promoting public and professional engagement 21
Our new home of surgery 25

FINANCIAL REVIEW 26

Funding partnerships 33
Structure, governance and management 35
Statement of trustees' responsibilities 39
Independent Auditor's Report to the Members of the Royal College of Surgeons of England 40

FINANCIAL STATEMENTS 43

Consolidated statement of financial activities 43
Consolidated balance sheet 44
Consolidated cash flow statement 45
Notes to the financial statements 46

REFERENCE AND ADMINISTRATIVE DETAILS 75

President's foreword

I am very pleased to present the annual report for 2023–24, as I embark on my second year as President.

The past year has been another challenging one for the National Health Service (NHS). Indeed, the incoming Secretary of State for Health and Social Care, soon after he took up office, went so far as to say that the NHS in England is 'broken'. The picture in the devolved nations is, if anything, more challenging, although it has at least been encouraging to see the re-convening of the Northern Ireland Assembly. I was pleased to contribute to the review of the current state of the NHS in England by Lord Darzi and look forward to seeing how this will inform the proposed ten-year plan.

It is no surprise, therefore, that NHS staff are feeling the pressure, as borne out by our census report, 'Advancing the Surgical Workforce', published at the beginning of 2024. I am very grateful to the more than 6,000 consultants, dental surgeons, surgeons in training, specialty and associate specialist surgeons, locally employed doctors and extended surgical team members who responded. It is concerning that 61% of respondents cited burnout and stress related to excessive workloads as the main challenge in surgery. We must address this to ensure that staff welfare and wellbeing improve, and to aid recruitment and retention, all of which ultimately lead to better patient care.

Access to theatres is a major challenge that clearly has an impact on our ability to address large surgical waiting lists and ensure adequate training opportunities. Similar issues are evident in dental care. Our drive to support the establishment of surgical hubs has been successful and we continue to be part of the accreditation process with Getting it Right First Time and the Royal College of Anaesthetists. It was pleasing to see the recent Health Foundation report (September 2024) confirming that the separation of elective surgical activity in hubs from urgent and emergency care has realised the anticipated increase in throughput. However, challenges remain around job planning and especially ensuring that training is embedded in the activity carried out in surgical hubs.

Over the past year, we have worked closely with the Working Party on Sexual Misconduct in Surgery. Their report, 'Breaking the Silence', published in September 2023 demonstrated the shocking scale of inappropriate behaviour happening in our profession. We signed the NHS England Sexual Safety Charter and were pleased that following our encouragement to employers to sign, this was made mandatory for trusts across England. In July, we published our Code of Conduct, which applies to all members, specified non-members in appointed or elected roles and all College staff. We have been very clear that sexual misconduct is a blight on our profession

We have been very clear that sexual misconduct is a blight on our profession and that no matter how technically competent or senior they may be, there is no place in our College for surgeons who abuse the trust placed in them

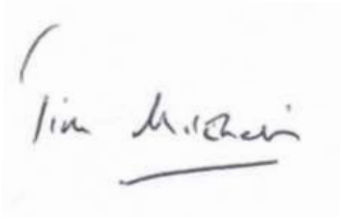
and that no matter how technically competent or senior they may be, there is no place in our College for surgeons who abuse the trust placed in them.

We have maintained an active quality improvement and research programme during the year. Notably, we marked the tenth anniversary of the College's incredible Surgical Trials Initiative in December and our work continues to support 9 groundbreaking surgical trials centres, 9 chairs of surgical trials and more than 25 surgical specialty leads. Following the highly successful launch of the National Cancer Audit Collaborating Centre in autumn 2023, we were set to publish annual State of the Nation reports. We encourage surgeons to read and reflect on these to inform the continual improvement of cancer care.

To prepare for the future of surgery, we continue to help surgeons learn from the past. The Library and Archives team has embarked upon a major project to digitise our priority collections and some of our historical texts. This will help to make them more accessible to members and researchers around the world.

I am very grateful to our excellent staff for all that they do to support the wide range of College activities, only some of which can be described here. I particularly wish to thank our Chief Executive, Andrew Reed, who has announced that he will be retiring at the end of 2024. Over the past nine years, the College has benefited from his exceptional leadership in supporting myself, previous Presidents, the Board of Trustees and Council, especially during the COVID-19 pandemic, and in overseeing the refurbishment of our headquarters in Lincoln's Inn Fields.

Looking forward to the coming year, we will continue to lobby the NHS, Westminster government and devolved administrations to support surgical and dental services in addressing long waiting lists. We will also work with other stakeholders to maintain the focus on improving the working lives of surgeons at all career stages, in response to the issues raised in our census report. It is clear that surgical training has struggled to recover following the pandemic, with logbook numbers still lagging behind 2019 levels. It is, therefore, critical that all possible steps are taken to maximise training opportunities and ensure that we nurture the surgeons of the future.



Tim Mitchell
President

Chief Executive's statement

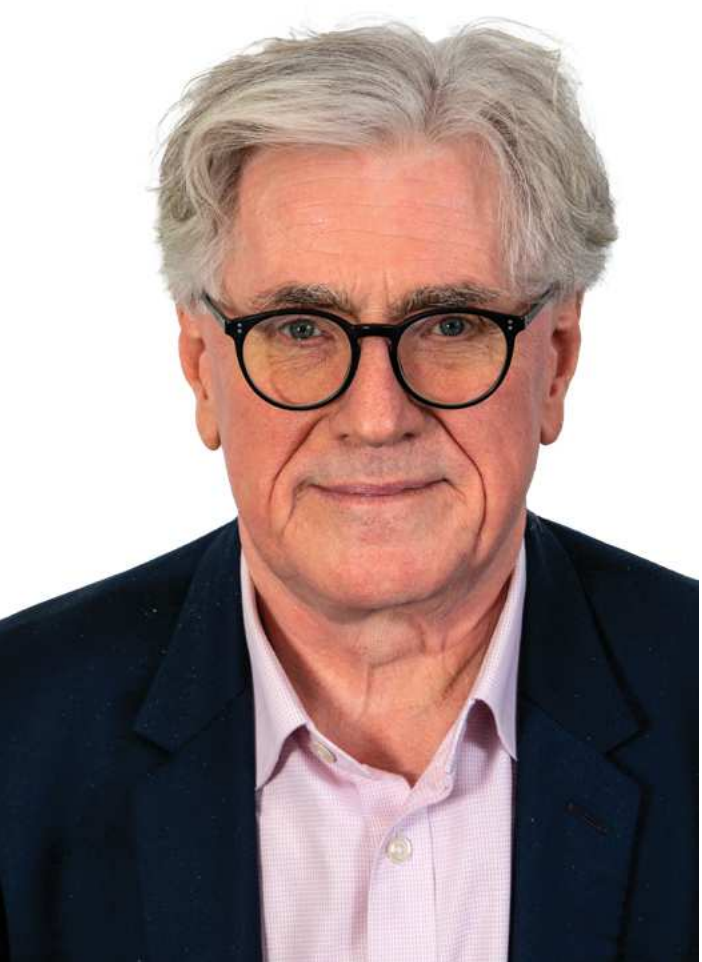
Our vision is to create a culture of collaboration, innovation and agility, enabling us to leverage digital technology to its full potential for the benefit of our membership and their patients

2023–24 marked another year of progress for the College in being inclusive, engaging and supportive of our membership.

Perhaps the most significant event of the year was Council's decision by an overwhelming majority to open up the election of the President and Vice-Presidents to the College's membership, fulfilling another of the recommendations of the Kennedy Review. We will be seeking approval at our 2024 Annual General Meeting before we submit the required changes to our ordinances to the Privy Council, but we very much hope the changes will be in place in time for the election of the next President in 2026.

The College has led from the front in the fight against sexual misconduct that is sadly still all too common within the profession following the publication of the Working Party on Sexual Misconduct in Surgery report in September 2023. As well as convening interested groups to agree on action, the College has produced its own Code of Conduct and lobbied the NHS hard for the adoption of a zero-tolerance stance.

Our membership numbers continued to increase in 2023–24 maintaining our position as the college of choice for most surgeons in the UK. We have continued to use our voice to lobby policymakers on a wide range of issues, from improving elective waits to better working arrangements for surgeons. Our workforce census, published in January 2024 and supported by the surgical specialist associations and other colleges, highlighted in particular the need for more training opportunities for resident surgeons and more operating time for senior doctors.



Financially, the College posted an operating surplus of £1.2m, representing another successful year for our professional and commercial activities. The Bjorn Saven Centre, our bespoke learning centre, continues to be extremely busy and we look forward to the opening of the Extended Reality Laboratory in the coming months. Across our learning activities as a whole, we delivered training to almost 10,000 course participants, and a further 11,000 users undertook digital learning modules, demonstrating our continued 'digital' learning reach post-pandemic. Our wonderful building is proving extremely popular as a conference venue for external clients as well as the College itself, where we were delighted to celebrate the success of more than 1,400 diplomates during the course of the year. The new Hunterian Museum, in its first full year of operation, has attracted more than 90,000 visitors.

A major theme for us is the development of our digital services and we have made important progress in designing a new Customer Relations Management system that will transform the way we work and interact with members, course participants and exam candidates. We have also begun the work to redesign our website, which will improve the user experience even further.

This is my last foreword as Chief Executive as I plan to retire at the end of 2024. May I take the opportunity to thank the Presidents, trustees and Council members I have had the pleasure of working alongside over a wonderful nine years and, more especially, as ever, our dedicated, conscientious and expert staff group, who have been a delight to work with. It has been a great privilege and I will miss them all.

Andrew Reed
Chief Executive

Trustees' Report

The trustees of the Royal College of Surgeons of England (RCS England) are pleased to present their report for the year ended 30 June 2024.

Our objects and aims

RCS England was established for the study and promotion of the art and science of surgery. Our vision is to see excellent surgical care for everyone.

Our mission

Our mission is to enable our members, in all their diversity, to deliver excellence in everything they do.

We will do this by:

leading our profession: being the pre-eminent voice of surgery, championing excellent surgical care by engaging the profession, policy makers, patients and the public;

improving practice: continually improving the practice, standards and safety of surgical care, and developing the workforce across the UK;

engaging our members: inspiring, supporting, educating and representing the professional interests of a growing, diverse membership;

embracing diversity: championing the diversity of our profession, treating everyone with respect and compassion, and demonstrating our commitment to fairness, gender equality and anti-racism;

transforming our College: building a sustainable, diverse, digital, forward-looking organisation that plays its part in the world and is accountable for everything it does.

OUR CORE VALUES

Our values are:

Collaboration: we embrace our collective responsibility, working as one college

Respect: we value every person we come into contact with as an individual, we respect their aspirations and commitments in life, and seek to understand and meet their physical and wellbeing needs

Excellence: we aspire to excellence and success, we share learning from our experiences, apply feedback to practice and commit to continual improvement

Working for the public benefit

We deliver public benefit through a wide range of activities that influence and support the professional development of surgeons and the delivery of surgical services for the benefit of patients, surgeons and trainee surgeons. We provide strong leadership and support for surgeons in all matters relating to their surgical practice throughout their careers. Our activities and achievements, which all lead to public benefit, reinforce our strategic aims and demonstrate our commitment to maintain the highest standards of surgical practice and patient care.

The trustees confirm that they have paid due regard to the guidance issued by the Charity Commission on public benefit, and further confirm that the activities of RCS England are carried out for public benefit.

Our work is based on a number of the charitable purposes defined in the Charities Act 2006 – chiefly the advancement of education, the advancement of health or the saving of lives, and the advancement of the arts, culture, heritage or science. We engage directly with the public through the Hunterian Museum, the media, our publications and our journals (the *Annals*, the *Bulletin* and the *FDJ*).

What we have achieved this year

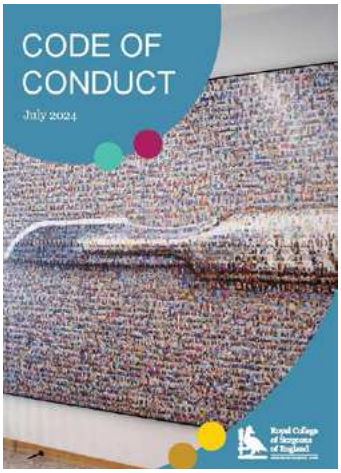
Leading our profession

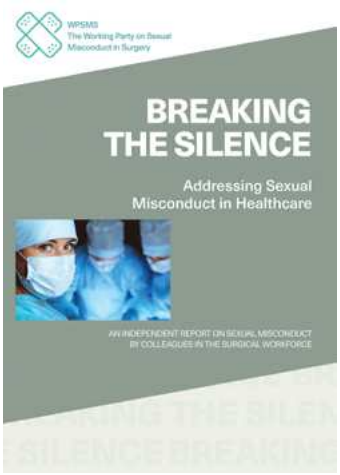
In the health service, 2023–24 was defined by attempts to address the large elective backlog that has built up following the pandemic, as well as concerns about the culture and unacceptable behaviours in the surgical community, and industrial action.

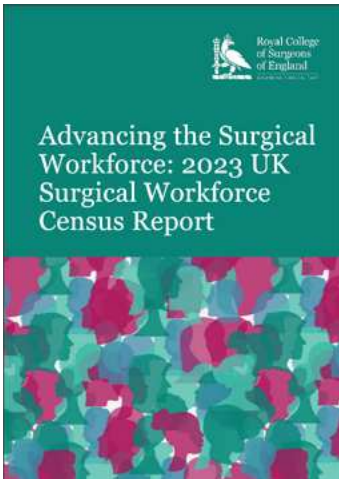
The College played a leading role in working with NHS England and devolved government efforts to reduce waiting times, while representing the profession and surgical patients in speaking out strongly about the slow pace of progress. Solutions we proposed included additional NHS funding, capital investment, public health initiatives, including to reduce the incidence of dental disease, and the further roll out of the surgical hub model where we continue to work with Getting it Right First Time to accredit hubs.

In January 2024, we published the landmark intercollegiate UK Surgical Workforce Census Report, receiving widespread national news coverage. This set out the key challenges facing consultants, surgeons in training, Specialist, Specialty and Associate Specialist (SAS) surgeons, locally employed doctors in surgery (LEDs) and members of the extended surgical team. Some 56% of respondents cited access to theatres as a major challenge, alongside workload pressures on teams, which are leading to burnout, stress and lack of training time. This report has provided comprehensive data to help us advocate confidently on behalf of the surgical community.

The Working Party on Sexual Misconduct in Surgery's Breaking the Silence report, published in September 2023; the intercollegiate UK Surgical Workforce Census Report, published in January 2024; and the RCS England Code of Conduct, published in July 2024.







Greta McLachlan speaking during the WinS conference at the College.

In September 2023 a pivotal report was released by the Working Party on Sexual Misconduct in Surgery. 'Breaking the Silence', alongside a paper in the *British Journal of Surgery*, highlighted the shocking reality of sexual harassment, sexual assault and rape in surgical departments across the UK. As a College, we are determined to eradicate these unacceptable behaviours. We supported the Working Party to enact its recommendations and we established our own programme of work to pursue their proposals. We were an early signatory of the NHS England Sexual Safety in Healthcare Charter and we successfully lobbied other NHS organisations to sign up. Following our efforts, NHS England made the Charter mandatory for all NHS organisations. Work also began on our new Code of Conduct, published in July 2024, which makes clear that no matter how technically competent or senior a surgeon is, if they abuse their position as a surgeon, they will have no place in our College.

The College continues to work on behalf of members to influence at the highest levels of government. During the year, we continued to meet with UK government and devolved ministers and advisors, senior NHS officials, including the NHS England Chief Executive and the Chief Dental Officer, General Medical Council and leaders in NHS England Workforce, Training and Education, as well as leading parliamentarians and assembly members in Northern Ireland and Wales. We continue to advocate through the media and we maintained our position as the leading voice on surgical issues in the English, Welsh and Northern Ireland press.

We will continue to hold UK and devolved political and NHS leaders to account and we will also support them where policies and decisions advance patient and professional priorities. We publicly backed the UK government's proposed anti-smoking and vaping legislation with our President appearing at a Public Bill Committee. This Bill failed to pass with the calling of a general election but we look forward to seeing this legislation resume in 2024–25 alongside other initiatives that advance surgical care for everyone.

WinS conference held at the College.

As a College, we are determined to eradicate these unacceptable behaviours. We supported the Working Party to enact its recommendations and we established our own programme of work to pursue their proposals

Improving practice

We have delivered multiple programmes of activity supporting surgeons to improve practice.

Setting standards and providing advice on good surgical practice

Throughout 2023–24 we maintained a diverse portfolio of good practice guidance with more than 20 separate resources providing detailed advice on key legal, moral, ethical and practical aspects of working in surgery. Following the much-needed attention given to this important subject during the year, we are developing new good practice guidance on surgical wellbeing. We are also at an advanced stage of updating our core standards and guidance document 'Good Surgical Practice' for agreement by our Council.

Reviewing surgical practice to support patient safety

We undertook important work to assure and improve the quality and safety of patient care, completing 21 individual, service and clinical record reviews for hospitals across the UK.

Driving quality improvement

Our flagship quality improvement initiatives improving care for patients with acute gallstone disease and hand trauma continued to make impressive progress. Having concluded and evaluated CholeQuIC3, we launched our fourth cycle of this collaborative, CholeQuIC4, which began in September 2023 and will complete in November 2024.

We were also delighted to build on our very successful HandsFirst quality improvement collaborative, improving care for patients experiencing hand trauma, by launching HandsFirst2, working with 12 hospitals across the UK. Participant sites are achieving hugely impressive improvements to patient care and the wider services that they provide, and have made significant progress with what we anticipate will be an even more successful second cycle of the project.

In addition to HandsFirst and CholeQuIC, in January 2024, we were very happy to commence a groundbreaking new improvement collaborative, SUPPORT, which we believe to be a global first. We are working with 13 hospitals across the UK and Ireland to put in place new systems and processes to support surgeons after adverse events occur. Led by Professor Kevin Turner and supported by a multiple professional team of psychologists, quality improvement specialists and an Innovation and Improvement Fellow kindly supported by the MPS Foundation, participant sites are working hard to improve surgical health and wellbeing.

Our newly commenced collaborative, SUPPORT, and the planned timeline for the launch and planned progress.

Accrediting and assuring excellence

Our accreditation and quality assurance team has had an extremely successful year, continuing to provide what we believe to be the biggest surgical education accreditation scheme in the world, with more than 84 surgical education centres accredited globally. We also accredited 25 surgical education courses last year and awarded CPD for 306 surgical education events. Our senior clinical fellowship scheme continues to thrive with more than 120 senior clinical fellowships currently approved across the UK and worldwide.

Facilitating research

We continue to sustain a thriving programme of research fellowships and wider awards, thanks to the continuing support of our extremely generous and long-standing funding partners, alongside the College's endowed research funds. During 2023–24, we awarded 16 one-year surgical research fellowships and 1 honorary research fellowship. We also supported research fellowships with the National Joint Registry and Orthopaedic Research UK, a Fulbright Award and a robotics research fellowship in partnership with NHS England. Other awards included nine pump-priming grants, three Harry Morton Fellowships, nine intercalated and nine elective grant awards.

Our activity in 2023-24

16 one-year surgical research fellowships

We awarded CPD for **2** surgical education events

Funded **1** robotics fellowship in partnership with the NHS

We launched SUPPORT, our new collaborative, working with 13 hospitals across the UK

We launched HandsFirst2, working with 12 hospitals across the UK

We launched CholeQuiC4 in September 2023

Over **84** surgical education centres accredited globally

25 surgical education centres accredited in the UK

9 elective grant awards

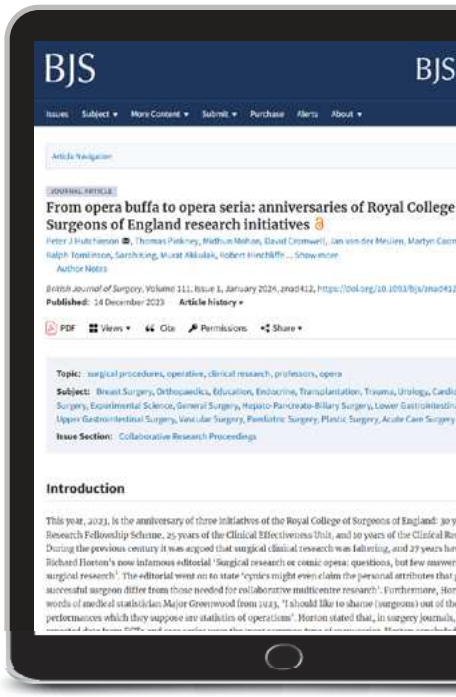
9 intercalated awards

150k awarded to six applicants researching robotic-assisted surgery

9 pump-priming grants

Surgical trials

2023 marked the tenth anniversary of the College's incredible surgical trials initiative, which we celebrated at a national event in December and a high-profile publication in the *British Journal of Surgery* describing the impact of the scheme. We continue to support 9 groundbreaking surgical trials centres, 9 chairs of surgical trials and more than 25 surgical specialty leads. Each working hard to drive excellence in surgical trials across the UK.



Clinical effectiveness

The Clinical Effectiveness Unit works closely with the surgical specialty associations to conduct large-scale studies into the quality of surgical care. Following the highly successful launch of the National Cancer Audit Collaborating Centre (NATCAN) in 2022, our national centre of excellence for improvement of NHS cancer services looks at treatments and outcomes across the country and delivers national cancer audits in bowel, prostate, lung, oesophagogastric, kidney, ovarian, pancreatic, primary and metastatic breast cancer, as well as non-Hodgkin lymphoma. Commissioned by the Healthcare Quality Improvement Partnership on behalf of NHS England, NATCAN brings national cancer audits together into one place for the first time and enables us to share best practice and promote clinical excellence. Alongside our wider work with the National Vascular Registry and the CRANE Cleft Lip and Palate Registry, these studies publish annual 'State of the Nation' reports that are used by NHS services, healthcare regulators and policymakers to improve the quality of care for patients, with exciting future work planned for 2024–25.

Leading the future of surgery

Our robotics and digital programme and our Innovation Hub continued to be at the forefront of our cutting-edge Future of Surgery work. Our robotics work hosted multiple national events looking at research, training, data and public and patient awareness work alongside a series of interesting and informative webinars and other meetings. Most notably, we were delighted to receive more than 25 applications for pump-priming grants for new research into robotic-assisted surgery and be able

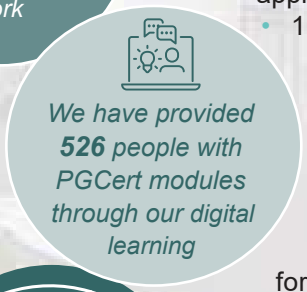
to award £150k funding to six successful applicants. Our Future of Surgery Innovation Hub continued to provide support to members keen to navigate the complex pathway from innovative idea to new product and service improving healthcare. More than 150 members participated in a diverse and dynamic programme of in-person and virtual activities, including the 'Festival of Innovation' at our annual Future of Surgery Show, with new exciting activities planned for 2024–25.

Learning

Our learning offer is central to our strategic aims, supporting our members and meeting the current and future needs of the surgical workforce. We focus on leading and driving forward surgical education, delivering high-quality learning for our members and the wider profession, and bringing people together to learn and connect through educational courses, events, communities and networks.

Highlights of 2023–24:

- We delivered training to 9,688 participants on 677 courses, working with 155 centres. We have seen particular growth in our international course delivery and a record-breaking year for Advanced Trauma Life Support® Provider, exceeding 4,000 participants for the first time. Our average quality score across all courses this year is 93.4%.
- Our 4,200+ volunteer faculty members are the essential backbone without whom our courses would not be possible and we have introduced a range of initiatives to better recognise and support our faculty, including personalised mechanisms for feedback and reflection that have been utilised more than 1,200 times in the past year.
- Our digital learning offer continues to develop to meet our members' needs; this year, alongside providing 526 people with PGCert modules, we delivered 10 virtual classrooms for Professional Behaviours in Aesthetic Surgery. We launched a series of modules on leadership skills and human factors and will continue to release these over the coming year. Across our paid-for, open access and membership benefit content, 11,171 users undertook digital learning modules.
- Our Training the Trainers course was redesigned as a blended learning modular course, with a mix of online learning, in-person practical sessions and 1-2-1 virtual sessions. As well as increasing impact and relevance, this redevelopment offers members a more substantial discount.
- Our extended reality laboratory (RCS XR Lab) has been approved by trustees, a tender process completed and supplier contracts signed. The build is in progress, learning content in development and it is on track to be launched in autumn 2024. We are developing a suite of content for immersive and extended reality (XR) learning environments to support our technology-enhanced learning vision and lead the way in surgical education.
- We have allocated £125k of funding for piloting innovation in surgical education. This funding will support pilots and proof of concepts that develop our evidence base and approach towards technology in surgical education. We are extremely grateful for the continued support of our funders without whom this critical development work would not be able to happen.
- We held the first Learning Conference since the COVID-19 pandemic in September 2023. Our diverse speakers and facilitators led expert plenary and breakout sessions focusing on The Future of Surgical Education. This hybrid event saw delegates attend in-person and online with a total attendance figure of 441 and a geographical reach covering 52 countries.
- We held our first networking and development day for our community of regional course coordinators, who arrange and deliver our 500+ yearly franchised courses.
- Our National Emerging Leaders programme continues to support and equip women and non-binary people with tools, practical support, networks and confidence to apply for leadership roles within the College and wider surgical and dental professions. This year we supported 25 people across the two years of the programme and received more than 130 applications to be part of the 2024 cohort.
- 105 change-makers in a variety of leadership roles across UK regions have participated in our Parents in Surgery workshops this year. We have created dedicated web pages for parents in surgery and continue to integrate across our education and influencing work to advocate for parents in surgery and drive forward change.
- We have improved accessibility, relevance and impact for faculty and participants through a wide range of initiatives including targeted faculty development days to ensure faculty diversity is representative of our participant groups.
- We have refined and focused our bursary scheme for participants to improve equity and accessibility and increased our available funding. We awarded 30 bursaries over the past year, three times the number in previous years.



Global engagement

Global governance and representation

Eighteen members of the College were appointed to advisor roles in 14 countries during the year. Country advisors represent the College and act as key points of contact for members in the country they represent and for those in the UK who wish to engage with that country. They use their local knowledge to advise the College, develop country engagement plans and implement regional priorities at country level, identifying opportunities for collaboration and membership development.

International Surgical Training Programme

Forty-eight international medical graduates were matched and placed in International Surgical Training Programme (ISTP) training posts during the year. Of these placements, 73% were made in trauma and orthopaedics, general surgery and neurosurgery. Some 68% of the placements were made in three regions: East of England, Yorkshire and The Humber, and London. In relation to the College's General Medical Council (GMC) sponsorship scheme, 51 overseas surgeons have been sponsored by the College to the GMC medical register during the year. Almost 50% of these doctors were in the trauma and orthopaedics and general surgery specialties.

Professor Vivien Lees and Miss Rachel Hargest represented the College at the annual meetings of the Association of Surgeons of India and the Society for Health Simulation India (SIMULCON) in December 2023. Professor Lees and Miss Hargest were supported by members of the global affairs team who also delivered career advice workshops and guidance on the College's ISTP.

Global Surgical Frontiers conference

Global Surgical Frontiers, the College's annual global health conference returned in June 2024 after a six-year hiatus. The two-day conference included an online Global Oral Health Day and brought together the wider surgical and dental community, policymakers, non-governmental organisations, development agencies, trainees, students and academics to understand the challenges and share evidence-based solutions for improving access to timely, safe and affordable surgical, dental, obstetric, anaesthesia and trauma care in resource-limited settings. Almost 400 delegates attended the conference.

Stefan Galeski Global Surgery Fellowship

This new fellowship scheme was launched in June 2024 and is supported by the Anna and Stefan Galeski Trust. The launch was attended by several members of the Galeski family, including Anna and Stefan Galeski's children, grandchildren and great-grandchildren.
The fellowship provides UK surgical trainees with an opportunity to travel overseas to undertake teaching, training and research activities that help to build local surgical capacity and improve access. Fellowships are awarded for up to 12 months and include being matched with a UK or overseas partner institution within the College's partnership network. The maximum award provided to each fellow is £5k. The scheme's 2024–25 fellowship partners are:

- Operation International UK
- Refugee Crisis Foundation
- Somali Health Exchange
- West African College of Surgeons

Humanitarian Surgery Initiative

Emergency medical teams are groups of health professionals, including doctors, nurses, paramedics, support workers and logisticians, who provide care for patients affected by an emergency. HOSPEX Tabletop is a classroom-based simulation training exercise that uses a specially designed tabletop 'playboard' and 'playing cards' to recreate the layout of an emergency medical team field hospital, its staff, patient disease and trauma casualty cases, and major incident scenarios.

Created and developed by Colonel (Retd) David Vassallo and drawing on many years of experience of field hospital deployments and major incidents in conflict and disaster zones, HOSPEX Tabletop is based on UK Defence Medical Services operational protocols and World Health Organisation (WHO) doctrine.

In June 2024, the College collaborated with Colonel (Retd) Vassallo to pilot HOSPEX Tabletop in Ethiopia with the Ministry of Health of Ethiopia and the Ethiopia Emergency Medical Team. The pilot included an instructor workshop, establishing the first locally based instructors capable of delivering HOSPEX Tabletop simulations to improve local capacity and preparedness. The training was hosted by the Ethiopian Public Health Institute. Representatives of WHO Geneva, the Ethiopian Red Cross Society, UNICEF Ethiopia and the UK Foreign and Commonwealth Development Office attended the training as observers.

UK–Yemen Surgical & Trauma Care Mentoring Scheme

The College has been successful in obtaining a small grant from the Tropical Health Education Trust to pilot a remote international mentoring scheme between the UK and Yemen, partnering with the Yemeni Society of Surgeons. The scheme will run for 18 months and will recruit and match 16 early-career Yemeni surgeons and surgical residents with UK mentors (surgeons/trainees ST6–7). As part of the award, the scheme will be part of a doctoral research study conducted by Oxford Brookes University to examine mentoring relationships within the context of international health partnerships.

Yemen remains one of the largest humanitarian crises in the world. After eight years of conflict, 21.6 million people need humanitarian support and 4.5 million people have been displaced since 2015, of whom 76% are women and children. The national socioeconomic and healthcare systems in Yemen remain on the edge of total collapse, while the continuing conflict, large-scale displacement, uncontrolled inflation and recurring climate shocks have left families vulnerable to communicable diseases outbreaks. Healthcare is either unavailable or inaccessible to large parts of the population.

The Global Surgery Policy Unit

During the period, the Global Surgery Policy Unit (GSPU), a collaboration between RCS England and the London School of Economics and Political Science, participated in a number of projects and research. In November 2023, GSPU launched a project in Somaliland with our partners to provide training to local healthcare and academic staff to enhance paediatric surgical care for burns and pyloric stenosis. We participated in key research including WHO-commissioned research on indicators for implementing the Emergency, Critical, and Operative (ECO) Care resolution.

The GSPU continues to be well-represented in key global health meetings. Notably, our co-directors, Dr Friebel and Miss Hargest, moderated sessions at WHO's Global Alliance for Care of the Injured meeting in Geneva in June 2024, and the Unit led a policy dialogue at an African Health Observatory and WHO convened meeting in Addis Ababa on the topical subject of Task Shifting and Task Sharing.

Assessment

We are a leading national and international centre for surgical and dental assessment. Across the 12 different qualifications for which we run assessments, we have continued to ensure that our approach to assessment delivery is modern, accessible and inclusive.

We have continued to embrace the return to full face-to-face activity in many areas while retaining a number of recent developments that have resulted in the greater use of technology in our examinations. This has meant that examinations activity achieves the benefits of enhanced assessment options and accessibility for candidates in the assessment of knowledge, while realising the undoubted benefits of face-to-face oral activity in assessing skills and behaviours.

We have delivered a considerable programme of surgical examinations activity in the past year with the MRCS, accommodating larger numbers of candidates

Following the publication of our initial report on differential attainment in surgical examinations last year, we have committed to a number of key areas of future work to address the attainment gap in practice

in each Part B centre – UK and overseas – than ever before. This continues to reflect the considerable candidate demand following the continued success of test centre activity for the knowledge-based Part A. We continue to work to ensure that our international presence can expand to further widen the examination's important role of raising standards of practice and care, while being delivered in the most sustainable way possible.

Regarding our dental activity, we have developed capacity to accommodate considerable demand for our Licence in Dental Surgery (LDS) licensing examination, an activity that has such a demonstrable benefit to the profession. We have continued to run a high-quality general membership examination with the Membership of the Faculty of Dental Surgery (MFDS), laying the foundations for overseas delivery of this in the coming year. With our specialty membership examinations, we have approached the development of assessments for all the new curricula on an entirely intercollegiate basis, working with colleagues in the Royal College of Physicians and Surgeons of Glasgow (RCPSG), Royal College of Surgeons of Edinburgh (RCSEd) and Royal College of Surgeons in Ireland (RCSI). This is a continued part of a broader process of remodelling our dental examinations offer to ensure that this serves our organisational aims, and those of the broader professional context, as effectively as possible.

Across all of our assessment activity, we continue to work to ensure that all candidates can perform to their full potential. Following the publication of our initial report on differential attainment in surgical examinations last year, we have committed to a number of key areas of future work to address the attainment gap in practice. Our candidate-centred approach looks to ensure that information and service before, during and after examinations with us are as accessible and supportive as possible, ensuring that our assessment activity continues to reflect a fair and inclusive environment for all.

Workforce and training

The Workforce and Training Committee oversaw the delivery of the first census of the surgical workforce in 12 years. The census was project managed within the Standards and Workforce team and supported by teams across the College, as well as the other surgical Royal Colleges in the UK and all the surgical specialty associations. The results of the census were reflected in a Workforce Report which set out key recommendations around improving productivity, ensuring sustainability of the workforce and working differently. A cross-College action plan was developed and is in the process of being delivered. Planning for the next census in 2025 is underway.

Through the work of a strengthened Intercollegiate Extended Surgical Team Board significant progress was made towards developing a scope of practice document for physician associates (PAs) in surgical teams following a statement from the Council, and to respond to related consultations. Work to develop the role, career framework, status and governance of surgical care practitioners, in collaboration with Association of Surgical Care Practitioners, also progressed.

Work continued on the Cosmetic Surgery Certification Scheme with increased application numbers allowing the scheme to cover its costs, a planned rebrand and closer working with the Joint Committee on Cosmetic Procedures and the Department of Health and Social Care in England.

The Joint Committee on Surgical Training (JCST), which is hosted by RCS England on behalf of the four surgical Royal Colleges of the UK and Ireland, enrolled

847 specialty trainees, recommended 553 trainees for certification, evaluated 229 applications and reviews for the Certificate of Eligibility for Specialist Registration (CESR) and supported 13 CESR appeals on behalf of the GMC.

Although surgical training showed some signs of recovery, logbook data still indicated that progress remained slower, and numbers were yet to achieve pre-pandemic levels. The data also showed that the number of non-standard Annual Review of Competency Progression outcomes increased during the past 12 months, with larger numbers of trainees being awarded outcome.

The JCST continued to monitor implementation of the 2021 curricula and the Multiple Consultant Report (MCR). MCR usage and Capabilities in Practice implementation data were analysed to inform JCST's reporting to the GMC. The data demonstrated that the MCR was being used and completed at the right stages in training, and that the curriculum is embedding successfully. Several improvements were made to the Intercollegiate Surgical Curriculum Programme (ISCP) website during this period to better support users and the system.

Following a consultation with stakeholders and subsequent discussions with the GMC, it was agreed that the current core surgical training structure was fit for purpose and met GMC requirements. The JCST will continue to monitor core surgical training and apply changes to the curriculum as and when necessary, in line with changes to surgical practice.

The most recent JCST Trainer Survey report was published on the JCST website here.

The standard for the Portfolio pathway (previously known as CESR) changed on 30 November 2023. Specialty specific guidance for each of the surgical specialties is now published on the GMC website here.

Supporting dental surgery

Throughout the year, the Faculty of Dental Surgery (FDS) has sought to deliver against its five strategic aims as follows:

1. To set the highest possible standards in oral healthcare by driving research, collating expertise, reviewing the evidence and understanding the needs of patients.
2. To develop the confidence, skills, networks and knowledge of our members at all career stages.
3. To inform and influence policymakers by advocating for better and more equitable oral healthcare.
4. To continue to grow our Faculty by embracing diversity, fostering belonging, nurturing future (clinical/research) leaders and inspiring the professionals of the future.
5. To transform our Faculty, sharing the values and aligning our strengths with the College.

Improving children's oral health

Throughout 2023–24, most of our initiatives have sought to deliver against these five strategic aims. Moving into her second year of her term as FDS Dean, Dr Charlotte Eckhardt has continued her advocacy to improve children's oral health, calling for a national supervised toothbrushing programme, extension of free breakfast clubs to every primary school and extending the current Soft Drinks Industry Levy (SDIL) to include all sweetened juice and milk-based products. In April 2024, Dr Eckhardt participated in a parliamentary roundtable, where she discussed funding for early years nutrition and called for the extension of the SDIL.

Dr Eckhardt has been interviewed by BBC Radio 5 Live and BBC Radio 4's File on Four, and quoted in several news outlets including The Guardian, Daily Mail, Daily Telegraph and British Dental Journal. She has advocated for children's oral health, addressing the increasing rates of tooth extraction among children and supporting water fluoridation.

Addressing workforce issues

Dr Eckhardt regularly meets with Jason Wong, Chief Dental Officer for England, and the executive team at the British Dental Association and has raised issues regarding the Dental Contract.

In December 2023, Dr Eckhardt attended a dentistry roundtable hosted by former Parliamentary Under Secretary of State in the Department of Health and Social Care, Andrea Leadsom.

FDS responded to the Department of Health and Social Care's consultation on provisional registration for overseas-qualified dentists. FDS does not support the proposal, which would give the General Dental Council (GDC) powers to provisionally register dentists who have qualified overseas and enable them to practice without passing the necessary examinations. Our concerns about the proposal in its current form were addressed in an exclusive article in The Sun.

Educational excellence

We continue to be a leading provider of dental education both nationally and internationally.

With the introduction of new specialty training curricula in October 2024, we have a unique opportunity to redesign the specialty examinations. We have secured agreement from all four medical royal colleges to implement a single standard assessment with a common purpose, provided on an intercollegiate arrangement in the UK and Ireland that will allow us to provide better governance, oversight and structure to the assessments.

The intention is for these examinations to be open access, with the MFDS being a mandatory requirement. This will enable individuals who have not pursued a national training route, as well as those with international training, to participate in the examination process as part of the specialist list assessment.

These changes have been welcomed by the GDC and the UK Committee of Postgraduate Dental Deans and Directors.

The Faculty is also prioritising emerging technologies with a focus on artificial intelligence (AI) and digital innovation in dentistry

For the first time, the College's Global Surgical Frontiers event included a Global Oral Health day. This covered global, national and specialty perspectives suitable for anyone involved or interested in improving equitable access to dental care and strengthening to improve population health outcomes.

Further work is underway with representatives from around the globe attending and discussing how FDS can assist in education, training, career advancement and progression of dentists in their regions, as well as oral health promotion within communities with the highest levels of need. We are also working with the FDS Board to update, improve and promote FDS educational resources and assessment tools in order to fulfil FDS and RCS England global objectives and create new partnerships with reputable institutions around the world.

Our online e-Den dentistry programme in collaboration with NHS England offers global reach and accessibility. This continues to grow: more than 3,000 new registrations in the past academic year brings the total number of registrations to 64,000.

The Faculty is also prioritising emerging technologies with a focus on artificial intelligence (AI) and digital innovation in dentistry. We have recently introduced a regular feature to our journal, the FDJ, in which we invite experts to contribute to this important topic. We are also working towards our first conference, to be held later in 2024. It will bring together various experts in the field, to discuss AI and digital innovation in dentistry and oral health, with a particular focus on revolutionising approaches to care.

Supporting and engaging with our members

Throughout the year, we have worked hard to support our members in the UK and globally, whatever their career stage. We continue to engage with our 335 College representatives, surgical tutors and regional and devolved nation directors who carry out vital roles on behalf of the profession. Almost 450 consultant job descriptions were reviewed by College representatives to ensure all new appointments deliver a safe and effective service to patients. We have listened to your views through almost 40 regional and devolved nation board meetings and at our annual Regional Representatives Conference. This year's event hosted at our Manchester hub in November 2023 was attended by 105 delegates online and in person. We look forward to celebrating all those who perform important College roles at this year's conference later in 2024.

We have sponsored and engaged with more than 40 surgical societies and national organisations, providing almost £11k in funding to support educational and training opportunities at all career stages from young people (aged 16+) through to senior trainees.

We held the first Interview Skills Masterclass webinar in December for 400 aspiring surgeons, and two virtual interview workshops in early February 2024 for Foundation doctors to help them prepare for core surgical training interviews in the spring. The workshops were supported by 40 mock-interview panellists. Although the events were targeted at UK Foundation doctors, we received a lot of interest from overseas doctors, highlighting their desire to interact with the College.

In April, we welcomed 28 CT2 trainees from schools of surgery across the UK to compete in the national final of the annual *Are You Cut Out For It?* surgical skills competition. We look forward to meeting trainees across the nation at the 2024–25 regional heats.

We have made excellent progress with some key membership-focused diversity, equity and inclusion (DEI) projects, including the launch of a Mentorship Toolkit, and five e-learning modules. An online mentoring platform will launch in the autumn, and the College's Women in Surgery (WinS) and SAS networks will pilot the first mentoring programmes.

For the second year, we collaborated with widening participation teams at three Yorkshire medical schools by running Cutting Edge Careers workshops to inspire the next generation of surgeons. Schools from as far as Bristol and Newcastle sent almost 100 Year 12 students to participate in the day at the University of Leeds.

Our Grassroots in Surgery scheme is nearing the end of its second year, with £35k of seed funding given to seven grassroots groups to support a variety of projects. The scheme entered its third year in spring 2024, and of the 27 applications submitted, eight projects were successful in receiving seed funding and support.

Our President, Officers and Regional Directors have been busy this year meeting with members, surgical teams, and trust leadership teams around the UK, holding Presidential Visits to hospitals in Derby, Grantham, Bournemouth, Newcastle and Northumbria, and London. We look forward to visiting Cambridge at the end of the year.

Our event programme continues to flourish and grow to meet the needs of our diverse audiences. We were delighted to host our third in-person Future Surgery Show in November 2023 in partnership with CloserStill Media. The show attracted almost 1,800 unique attendees, demonstrating its continued relevance and appeal.

We have maintained an extensive programme of webinars and conferences for fellows, members and other stakeholders, supporting our commitment to continuous professional development. More than 4,000 attendees have participated in 14 conferences and

We hosted **18** ceremonies for new fellows and members

We welcomed **1,400** diplomates and **4,000** guests throughout the year

18 webinars, covering a diverse range of topics, from global surgery, sustainability and leadership to exam preparation, wellbeing and AI in surgery.

We have also continued to host networking events to help individuals forge connections and build valuable relationships. Highlights were our PRiSM event for the LGBTQ+ community and our first-ever Iftar to celebrate Ramadan, which was a resounding success. This cultural event was well received, and we look forward to incorporating more such events into our future programmes.

Beyond these initiatives, we conducted 18 diplomates ceremonies for new fellows and members, welcoming over 1,400 diplomates and more than 4,000 guests throughout the year. These ceremonies are an essential part of our calendar, and we are delighted to celebrate the achievements of our members and strengthen our professional network.

We have also hosted and supported a number of events at the RCS England Outreach Hub in Manchester, which allowed us to interact with various groups from across the North and Midlands and reinforced the College's presence outside London.

For the first time ever, we held an election for the role of WinS Chair, which allowed eligible WinS network members to choose who represents them on Council as an invited member. We were pleased to see eight fantastic candidates passionate about women in surgery stand for this important leadership role. Felicity Meyer was elected as the next WinS Chair, took up the position in September 2024 when the current WinS Chair, Tamzin Cuming, stepped down following a successful three-year term.

Across digital channels including our website, emails and social media, the College has seen a year of continued growth. As expected, our most popular website content relates to exams and courses. Total page views increased year on year to an estimated 8,494,161 in 2023–24 from 7,856,045 in 2022–23. Our website also continues to rank in the first position in organic search results pages for priority keywords including 'royal college of surgeons', 'diversity surgery' and 'MRCS'.

Members are engaging with our newsletters and email content at well above industry rates, with more than one million unique email opens across the year. Our average open rate for member newsletters and updates sat at just over 56%, outperforming last year's average rate of 54% and comparing favourably with the sector average of around 40%. Engagement on our social media channels has continued to rise with users commenting, liking or sharing our content more than 161,000 times across the year.

The College's journal portfolio, consistently listed as one of the most valued benefits by our members, reaches a wide and diverse surgical audience.

Annals, our scholarly research journal, transitioned to being fully Open Access in January, in line with publishing industry trends and the increasing demand for freely accessible research content. Consequently, usage has increased by 50% with all content being immediately available in the public domain upon publication, driving article page views and citations. The traditional Open Access Article Processing Charge connected with this publishing model is fully waived for fellows, members and affiliates of the College. The journal publishes eight online issues annually, which in 2024 included special focus editions on human factors, genomics, sustainability and innovation.

The *Bulletin*, our membership magazine, continues to go from strength to strength, publishing a variety of themed issues on topics such as open vs minimally invasive surgery, global surgery and health tourism. It has exercised its impact as the voice of the surgical community by driving the conversation on sexual misconduct, surgical culture and diversity, as well as the healthcare workforce. Publishing eight issues annually (six in print and two digital-only), we post nearly 100,000 Bulletin copies per year to our UK members, and the journal averages 33,000 monthly online page views, an increase of 20% year on year.

The *FDJ* has undergone a successful and extensive redesign. The new look and feel of the journal has been very well received by our readers and membership. The FDJ has seen a significant 25% increase in online usage, averaging 5,100 monthly online page views, while publishing four issues a year comprising a total of 12,000 print copies.

Embracing diversity

Since the start of our diversity, equity and inclusion (DEI) journey, the College has ensured that our members and the profession are at the heart of everything we do. The past year has seen the College go from strength to strength in its quest to embrace diversity and create a more inclusive and welcoming environment. Not only have we seen considerable advancements in key initiatives, such as the DEI Research Fellowships and the Mentorship programme. The College has led from the front to tackle sexual misconduct in surgery.

In late 2022, we were delighted to make our first two Research Fellowship in DEI in surgery awards. In March 2024, we received the completed reports from both areas of research. The first looked at differential attainment in surgical higher speciality education, and the second reported on the barriers to leadership for minoritised surgeons in general surgery. Both areas of research aim to improve the culture of surgery and improve conditions for underrepresented groups in surgery.

Following the launch of our Mentorship Toolkit in April 2023, and the development of an e-learning package focused on the 'Mentoring Fundamentals', the project has now been given the green light to develop the College's first digital mentoring platform. WinS and the SAS Forum will be invited to pilot a mentor scheme, and we will work with both groups to ensure they meet their required needs before rolling it out further.

We embraced our commitment to building strong networks and communities and were excited to host the College's first-ever Iftar event in March 2024. The event was a celebration for our Muslim fellows, members, staff and allies to come together to break their fast during Ramadan. We were delighted to have the Egyptian Ambassador and the Deputy Commissioner of Bangladesh in attendance, alongside 73 other guests.

Meanwhile, the Pride in Surgery Forum hosted a networking reception with a talk from Dr Ronx Ikharia, the award-winning emergency medicine doctor, author, TV presenter and activist, during June 2024 Pride Month.

In October 2023, we released a special Black History Month episode of The Theatre podcast, featuring Samantha Tross who shared her experiences, journey into surgery, and insights on the importance of social responsibility.

This year saw the start of a new journey, one that seeks to ensure our staff are also centred and that we are practicing what we preach. This has led us to receiving Disability Confident status, which is supporting us to improve how we recruit, retain and develop people living with a disability. We are proud to report that in collaboration with our staff networks and people with lived experience across the College, we have launched our neurodiversity and reasonable adjustments guidance.

So that we can continue to embrace DEI in what we do and what we stand for, we have developed an Equality Impact Assessment framework. Our aim is to foster more inclusive and collaborative decision-making across the College, while ensuring that all voices are heard and valued. This has led to a collaboration with inclusive employers to develop a bespoke webinar and training sessions for staff coming in autumn 2024.

We celebrated our first ever Iftar event in March 2024, with the Egyptian Ambassador and the Deputy Commissioner of Bangladesh in attendance.

In line with our work on Parents in Surgery, we have created guidance for staff who experience pregnancy loss and offer two weeks paid leave to them or their partner. We have also created emergency kits available to anyone who may need a change of clothing due to such circumstances.

In November 2023 we undertook a staff survey with a strong 88% response rate.

Although this is a great achievement there is always more that can be done to ensure we are living our values. This led to the development of a staff engagement action plan to improve belonging in the College. In response to this, focus groups on values and belonging have been created and rolled out, with insights being used to inform and improve the College experience.

Our initiatives are designed to ensure that every individual, regardless of their background... feels valued and empowered to contribute fully

We are deeply committed to fostering a culture of diversity, inclusion and belonging within the College and profession. We believe that by embracing the unique backgrounds, experiences and perspectives of our members and staff, we can create a more innovative and supportive environment that reflects the diverse society we serve.

We have created guidance for staff who experience pregnancy loss and offer two weeks' paid leave to them or their partner

Our initiatives are designed to ensure that every individual, regardless of their background, or any other aspect of their identity, feels valued and empowered to contribute fully. We are dedicated to breaking down barriers and promoting equity in all areas of our work, from recruitment and training to professional development and leadership opportunities. By prioritising diversity, inclusion and belonging, the College aims to lead the way in building a more inclusive future for surgery.

Transforming our College

Our ambitious digital transformation journey is a major and complex undertaking, one that will transform how we do business, ensure that we deliver excellent customer experiences and become a more agile and data-intelligent organisation.

The cornerstone project of our digital transformation is the new Customer Relationship Management (CRM) system. It is progressing well, marked by effective stakeholder engagement and successful initial development showcases. As we move forward, we are also advancing early plans for a new website and a modernised finance system, further solidifying our commitment to technological innovation across the College.

In addition, we have taken the strategic decision to put people at the heart of our digital transformation and are well underway with the development and implementation of our Digital Skills programme. The programme includes 'Essential Digital Skills' – for all staff to engage with and participate in. The aim is that staff learn how to utilise fully the tools at their disposal to modernise their ways of working and become more efficient while working collaboratively. We have also developed, launched and completed cohort one of a unique Digital Accelerator programme, which will nurture a critical community in the College to accelerate change from within. The programme comprises a variety of modules such as AI prompting and digital service design.

We hope that our digital transformation will drive the College forward and ensure we remain at the forefront of our field while investing in our own staff.

Our staff troubleshooting practical issues as part of our Digital Accelerator Programme

Promoting public and professional engagement

Library and archives

The past year has been one of significant strides for our library and archives, with a focus on promoting and raising awareness of the extensive facilities, resources and services available to our members, fellows, staff and researchers, both nationally and globally. Our highlights and activities during the year have included:

- initiated the digitisation of priority collections, making them accessible and searchable;
- partnered with LSE to digitise historical texts alongside modern transcripts, enriching the accessibility and understanding of these valuable documents;
- extended our global reach through partnerships, notably with Ukraine, enhancing our international collaboration and impact;
- increased school activity sessions, incorporating contemporary and historical materials, with overwhelmingly positive feedback;
- hosted displays of rare books and archival materials at several events, engaging diverse audiences and showcasing our rich collections.

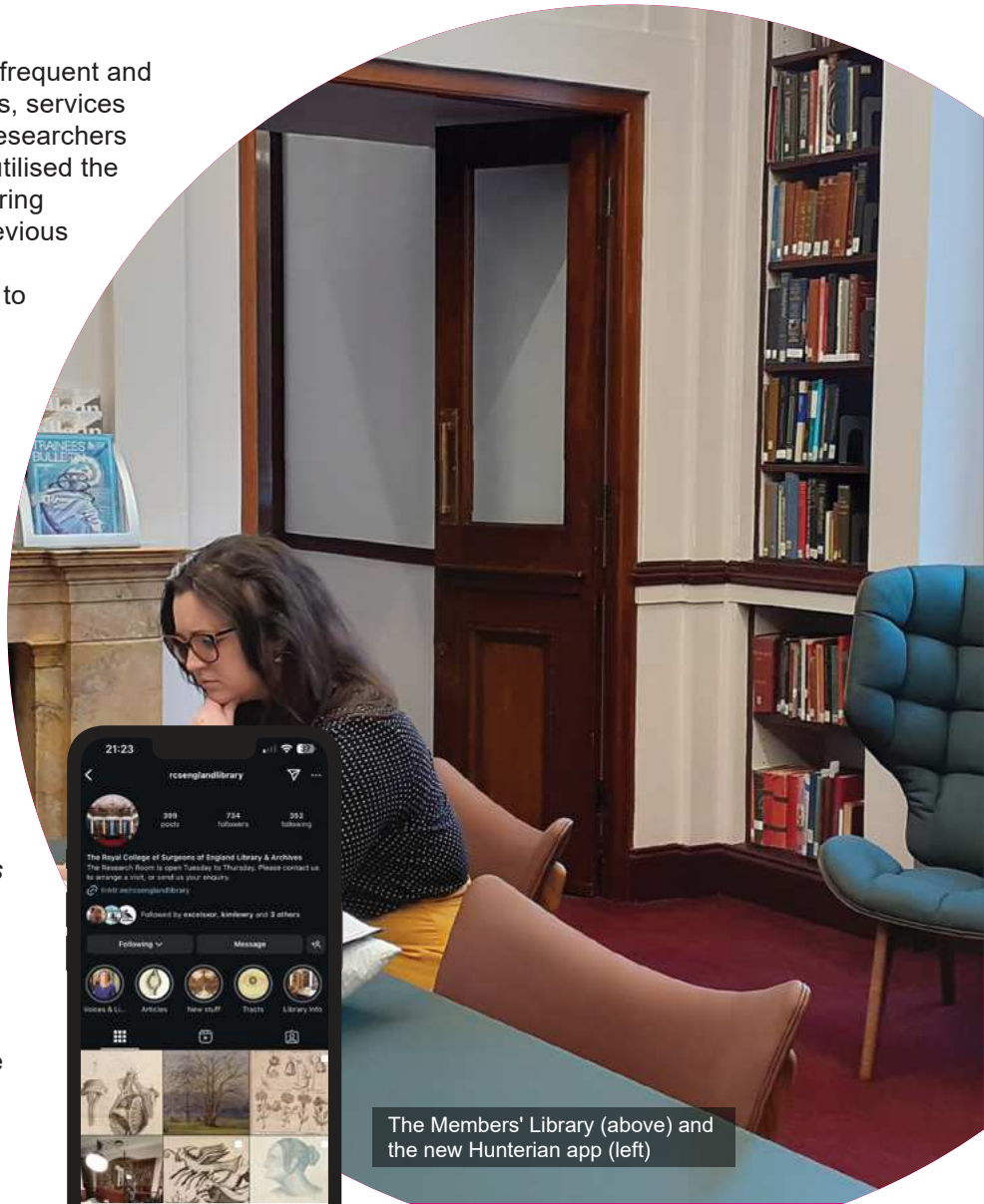
These activities have contributed to more frequent and regular use of library and archives facilities, services and resources by members, fellows and researchers throughout the year. In total, 728 visitors utilised the Members' Library and Research Room during 2023–24, reflecting an increase on the previous year. We also responded to 691 remote enquiries, demonstrating our commitment to accessibility and support.

The library Instagram account has grown significantly since its inception in March 2023. In total, 335 short articles were generated with images directly relating to the Heritage collections. We have also seen a significant increase in usage of our digitised Tracts collection, with a 230% rise to 393,401 users. Members were provided with access to more than 2,000 e-journals and approximately 1,200 e-books. They conducted over 115,000 searches and downloaded 85,700 journal articles and book chapters.

FDS fellows were incorporated into *Plarr's Lives of the Fellows* from June 2023, with entries added for all fellows with recorded deaths from 1990 to 2022, including 59 full obituaries. A list of the elected, honorary and by-qualification fellows from 1947–1989 from the Council Minutes were made available with 10,645 biographies, 835 images of surgeons and 3 blog posts celebrating the Paris 1924 Olympic fellows.

Staff-supported school activity sessions increased, working with contemporary written sources from the library alongside historical archive material. Visits have covered anatomy, grave-robbing and punishment, with feedback from attendees and event organisers overwhelmingly positive.

The archives service established a system for regular conservation, which has enabled us to include these collections within our digitisation project. This includes the Council Minutes, the 'Diary of a Resurrectionist' the only surviving diary of a grave-robber, the 'Petition for the Admission of Women to the College' and the 'London Lock Asylum Patient Histories', which give a very rare insight into the lives of working-class 18th century women.

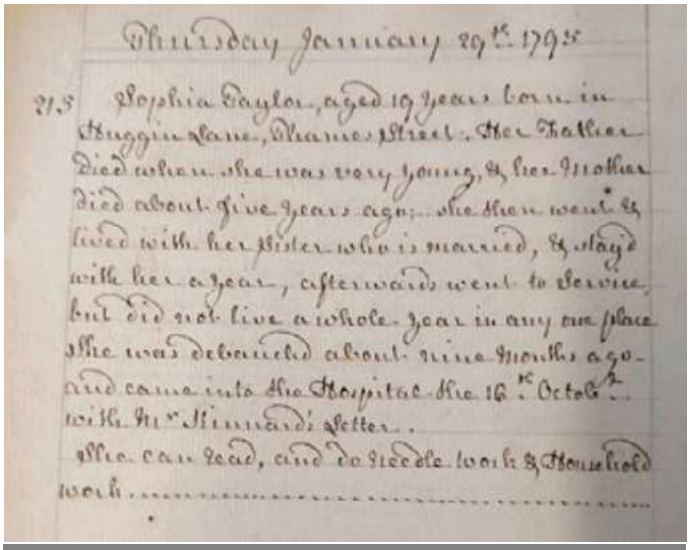


The Members' Library (above) and the new Hunterian app (left)

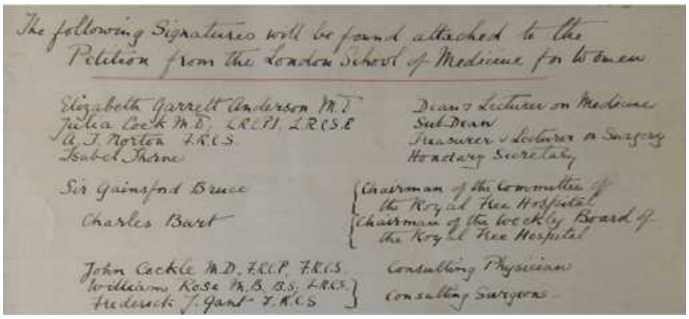
We welcomed our first awardee of the Henry Lumley Engagement Grant, Wendy Suffield, who utilised our collections to explore the role of women in developing surgical ethics.

As a result of a successful Conserve Our Collections campaign we completed conservation of rare books from the 16th to 18th centuries, ensuring their durability for future research and engagement.

In February 2024, the Library's Evidence Support Team delivered a training session to the Ukrainian Medical Student's Association, receiving 100% positive feedback, highlighting the effectiveness of our expertise in supporting global audiences. Throughout the year, the team undertook 20 personalised training sessions for members and secured a contract for income-generating searches to inform clinical guidelines.



Patient history from the London Lock Asylum, 1795, MS0022/6/10



Petition to allow women to study at RCS England (1906). The signatories are led by Elizabeth Garrett Anderson.

TESTIMONIALS

"Thank you for your detailed and prompt response. If I may say so, I am a member of the RCPSG and RCSEd. But the library resources of RCS England are unparalleled."

Member response to answered enquiry, March 2024.

"What made the visit really special was hearing the stories that surrounded the books and their content, and hearing additional information relating to them, their writers, and their extracts…. Also the fact that we were allowed to touch and handle the books ourselves!"

Jessica Moon, Learning Team Leader, Queen Mary University of London.

"I have loved the experience of being an HLCE grantee and found the staff both helpful and welcoming."

Wendy Suffield, Henry Lumley Grant Awardee.

Staff-supported activity session

Museum collections and services

In its first year, the new Hunterian Museum attracted more than 90,000 visitors. It was shortlisted for the Museums and Heritage Awards permanent exhibition of the year, and was awarded silver in the European Design Awards. Shop stock was enhanced with new Hunterian and RCS England branded goods.

A new Hunterian Museum app, funded by Bloomberg Connects, was launched in November 2023 with the option to translate all text and audio into more than 30 languages, it also includes a 30-minute British Sign Language (BSL) tour. In-person BSL and weekly curator tours, and a new Hunterian Drawing Club were established. Marketing of the museum was mostly through digital channels and press and media.

The Hunterian Museum website had many new features added with new online school

The Hunterian Museum is now showing the *Transforming Lives* film.

resources, for self-led school visits – studying history of medicine, biology, English literature and BTEC healthcare subjects – going live in June 2024. Social media channels, Facebook, X and Instagram saw month-on-month increases in followers – some posts receiving more than 150,000 views.

Press and media coverage included international coverage and features on BBC and ITV evening news of visits by two RCS England fellows and their patients (both included in the Hunterian Museum Transforming Lives film, now available on the Hunterian website).

More than 50 museum volunteers (40% retired fellows and members) were recruited and trained with short building tours and object handling sessions introduced in the summer.

The museums' public talks and events programme was relaunched in autumn 2023 and included talks by fellows Ms Liz O'Riordan and Mr Michael Crumplin. The Hunterian Provocation programme was soft launched with underrepresented histories explored in the International VariAbilities conference held at the College in collaboration with Winchester University and an evening symposium in collaboration with Medics4Rare Disease and Friends of FOP (Fibrodysplasia Ossificans Progressiva) First Do No Harm: Perspectives on FOP.

Conservation on key museum collections continued, on-site collections storage was maximised with new roller racking and options for the long-term storage for the 40% collections now held off site are under consideration.

RCS England museums were awarded Arts Council England Provisional Accreditation for the seventh year with Full Accreditation submission due in October 2024. Museum services for curatorial enquiries, research support and image provision and licensing continued.

The Anatomy and Pathology Museum (APM) facilitated revision sessions for MRCS Part B candidates in addition to visits from medical professional and healthcare student groups and individuals. The APM virtual learning environment became established online as an exclusive fellows and members learning resource.

The Art Fund and the Arts Council England V&A Acquisitions Fund awarded grants of £15k for the purchase of artist Annie Cattrell's sculpture Sense, now on display in the atrium. A painting, showing a mid-18th century amputation scene, stolen from the College in 1983, was returned via the French police in August 2023.

The year saw the retiral of six Hunterian trustees: Professor Malcolm Macleod, Lord Robert Salisbury, Professor Lewis Spitz, Professor Susan Standring, Ms Sarah Staniforth and Dame Janet Vitmayer. Following public advertisement, new Hunterian trustees – Dr Yewande Okuleye, Ms Hannah Lake and Ms Kate Heyman – were appointed, and Lord Edward Garnier.

Fundraising

RCS England continues to receive significant charitable funds every year from our donors and supporters and we are grateful for the generosity and loyalty of our long-time supporters, particularly in surgical research and learning. These funds support a comprehensive range of projects and activities undertaken in pursuit of our charitable objectives. This is despite the impact on fundraising and philanthropy experienced across the charitable sector following the pandemic. Fundraising from trusts, foundations and corporate sponsors is also increasingly competitive, especially when seeking engagement and support from first approaches to new supporters.

Exciting and far-reaching projects such as Stop The Bleed have attracted first-time support from charitable trusts approached by the fundraising team, including the Adint Charitable Trust and the Grace Trust who have toured the Bjorn Saven Centre and forged fruitful working relationships with the learning team.

All legacy gifts this year have been unrestricted, which indicates our supporters' confidence in our judgement

With the Hunterian Museum attracting higher than anticipated visitor numbers during its first year following redesign and reopening, the fundraising team had the opportunity to trial new ways of attracting donations from visitors. While the College is determined that the museum should be free and fully accessible, all donations are voluntary and encouraged. Successful trials of working with Complete Works, a visitor experience consultancy, have proven that visitors are keen to donate to a museum as outstanding as the Hunterian and we will be continuing this model for the foreseeable future.

Once more this year we have been privileged to receive generous legacy donations, as supporters have left generous donations of shares, cash and property in their wills. All legacy gifts this year have been unrestricted, which indicates our supporters' confidence in our judgement and their strong emotional connection with our mission.

We extend our gratitude to all our donors and supporters. We are enormously grateful to work with Officers and those members of Council who have championed our ongoing efforts including appeals, as well as those who have given generous personal donations.

Our new home of surgery

We continue to enjoy the spaces in our new building. We opened our fellows and members' lounge in March 2024, which has been appreciated by those visiting and networking in London.

Our visitors use the College for networking or ceremonial events and enjoy our state-of-the-art examination and learning spaces. The conference venue and our other hospitality spaces continue to attract delegates and have been extremely popular with outside organisations. The success of these activities with a warm welcome is supporting our visitor experience and raising the public profile of the building and the College.

We have consolidated working areas to one floor and further developed the facilities for hybrid working and staff engagement. We intend to commercially let the vacated floor.

The newly opened fellows and members' lounge

The newly opened fellows and members' lounge

Financial review

This year has been one of further progress as we continue on our transformation journey to deliver a financially sustainable and forward-thinking professional membership organisation. Our financial results show growth in most areas except grants, donations and legacies.

We have posted a net income position this year of £10.1m (2023: £2.5m net expenditure) primarily due to a gain on our fixed asset investments of £10.2m (2023: £0.1m), representing a £12.6m turnaround from the previous year.

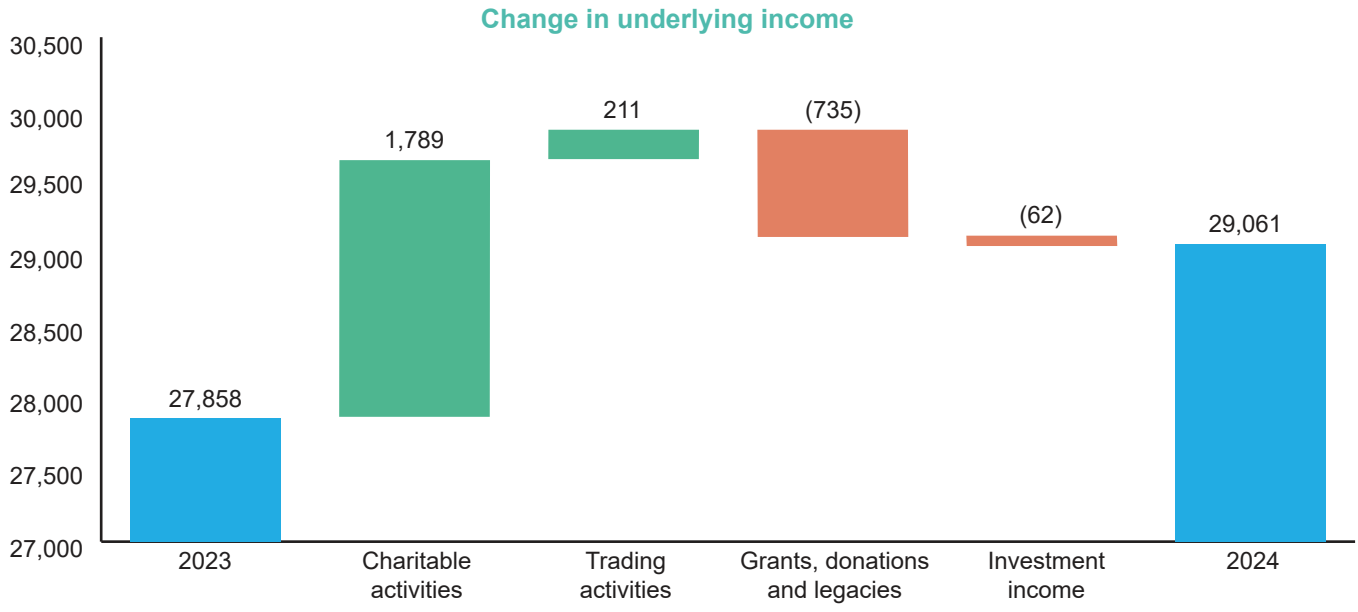
Net income before gains has also improved significantly to net expenditure of £0.1m (2023: £2.6m). £3.5m of the improvement flows from our unrestricted activity with the biggest factor in this being the movement of the Universities Superannuation Scheme (USS) pension scheme from surplus to deficit and consequent release of the £3.1m provision from 2023.

Restricted and endowed activity levels can vary quite significantly from year to year. An increase in our restricted and endowed expenditure ahead of income has seen net expenditure in these areas increase to £1.2m (2023: £0.1m), although investment gains of £5.1m have resulted in a £3.9m increase in reserves.

Total reserves have increased to £145m (2023: £135m). A net unrealised gain on revaluation of £2.3m on investment property has contributed to an improved investment performance returning net unrealised unrestricted investment gains of £5.1m, resulting in unrestricted funds increasing 7% to £96.7m (2023: £90.5m). Endowed funds have increased by 9% to £42.0m and restricted funds by 9% to £6.4m (2023: £5.9m).

Income

Income has risen by 5% to £35.1m (2023: £33.5m), with unrestricted income rising 4% to £29.1m (2023: £27.9m)



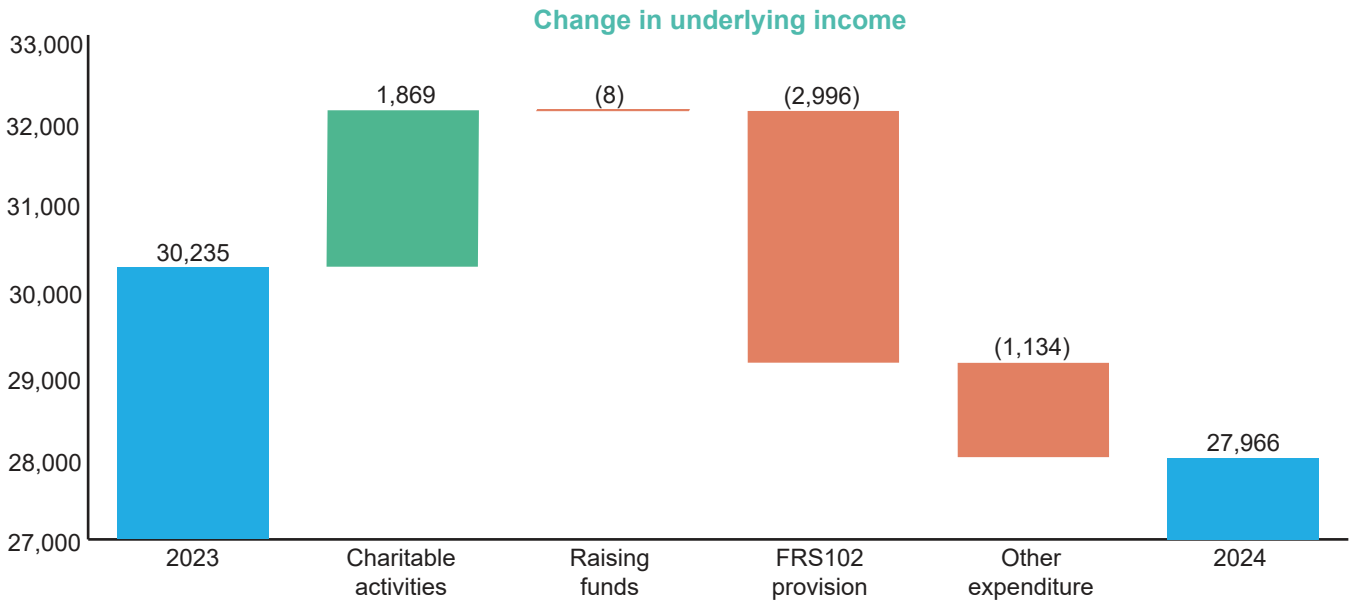
Charitable activity income has risen by 7% to £26.6m (2023: £24.9m). Membership subscriptions remain the largest single revenue stream up 5% to £9.9m (2023: £9.4m) closely followed by exams, which demonstrated continuing strong performance with revenues up 15% to £9.8m (2023: £8.5m). Courses have recovered the majority of the decline seen in 2023 with revenue up 18% to £3.6m (2023: £3.1m).

Income from grants donations and legacies has declined by 5% to £5.7m (2023: £6.0m) with the continuing increase in grant income, up 8% to £4.7m (2023: £4.4m), failing to offset declines in donations and legacies. These latter two revenue streams are more volatile but together this year have declined 39% to £1.0m (2023: £1.6m).

Income from investments is flat.

Expenditure

Expenditure has fallen 2.5% or £0.89m to £35.2m with unrestricted expenditure down 7.5% or £2.3m on 2023 levels to £28.0m. This includes a £3.1m release of the FRS 102 pension provision from 2023 and, excluding this, total expenditure is up 6% and unrestricted expenditure is up 2.8% on 2023.



Unrestricted charitable activity expenditure is up 7.6%; 0.4% higher than the increase in income from charitable activities, reflecting further targeted investment in support of revenue growth and our strategic activities as we reposition ourselves in a post-pandemic world. Our course and exam portfolios continue to evolve as we seek to differentiate our offer in what is a highly competitive landscape.

We have reported higher costs across most expenditure areas including professional and public engagement, reflecting the opening of the new Hunterian Museum in May 2023. Much of our programme of professional activity as outlined in the Trustees' Report is supported by our restricted and endowed funds. Total expenditure against these funds has grown 24% to £7.3m (2023: £5.9m).

Net assets

Net assets have decreased by 7% or £10.1m to £145m. Investments increased by £12.5m and intangible fixed assets by £0.8m, partially offset by a decline in tangible assets of £6.6m, although these movements in asset types included a £4.3m transfer from fixed assets to investments as set out in notes 9 and 11 to the accounts.

The College's landmark building is depreciating currently at an annual rate of approximately £2.4m. All components except freehold property will have been fully depreciated after 25 years. The long-term loan of £40m financed completion of the capital works.

Cash holdings have decreased by £0.35m to £7.9m, debtors are £1.3m higher at £10.2m, current liabilities are £0.55m higher at £16.4m, and the current ratio has increased to 1.10 from 1.08 in 2023.

Hunter Trading Limited

Our financial statements consolidate the results and financial position of our wholly owned subsidiary, Hunter Trading Limited (note 15). The company has delivered a profit of £0.82m for the year (2022: £0.62m). 2024 is our third year of trading and it has been a highly successful one for our new conference and events venue, The View, as well as for our other iconic and unique venue spaces. Our catering and events partner, Searcys, has successfully promoted our offer throughout the year, and market interest and bookings have continued to rise. Activities have broadly returned to normal levels of activity post-COVID.

Financial outlook

Our new Hunterian Museum opened in May 2023 to great acclaim and attracted considerable global interest. The opening represented the successful conclusion of the redevelopment programme of our estate. Since its opening, the museum has welcomed a steady stream of visitors through its doors, helping to create a thriving public space on the ground floor and bringing additional custom to both our café and retail shop facilities. The global pandemic caused enormous disruption to our day-to-day business operations with unprecedented constraints placed upon business activity both within the UK and globally. Since this time, we have been successfully building back up our revenues and activities, taking advantage of the opportunities this recovery period has presented to redesign and reshape our business models. By the end of the last financial year activity is back to what we would consider a normal level with no further COVID-19-related changes expected in future.

We have delivered an improved financial performance this year. This next year will continue to be one of consolidation and investment in change, developing our understanding of demand trends in current and new markets so that we can continue to provide a competitive, valued and relevant offer to our members and prospective members. We will continue to expand and develop our revenues streams, extending our global reach, investing in and promoting the dental exams offer, attracting new sponsorship schemes and working with our commercial partners to develop and improve our venue packages so that we maintain and grow demand for our excellent event spaces. While we continue to develop how we use our physical space for the benefit of our members, our staff and the general public, we are progressing with our transformation strategy in the digital space. This is a complex endeavour that requires substantial investment of our time and our funds to secure success. Delivering our transformation strategy is pivotal to securing financial profitability and financially sustainable surpluses over the longer term. Digital transformation will enable us to deliver better services and to broaden our reach, fostering greater engagement, accessibility and inclusivity. It will also transform the College into a technologically smart, cost-efficient and cost-effective operation.

Since the year-end, interest rates have started to decline and this is expected to continue over the next 12 months, reflecting sharply lower inflation expectations with CPI close to the Bank of England target of 2%. Despite these welcome changes, it remains vital that we continue forward with our transformation plan to deliver a new business model that provides strong and sustainable surpluses through a diversified revenue base and a value for money cost of operations that, critically, provides the finance to meet our debt repayment obligations, which fall due in three years' time.

The financial position of the USS, which has been a long-term concern, has improved significantly and the 2023 valuation has resulted in a surplus and the release of the provision we were holding. We remain alert to the possibility under the scheme's Monitoring and Actions Framework that short-term corrective actions such as higher contributions or accelerated valuations could be taken in the event that the scheme's funded status is impacted adversely by market volatility. We will continue to support employer representatives in their efforts to keep the cost of pension benefits at an affordable level.

Reserves policy

Our reserves comprise unrestricted funds, restricted and endowed funds. The restricted and endowed funds result from grants, donations and legacies that can only be applied for a purpose specified by the donor or grantor and are not available for general purposes. We aim to carry out the activities and projects supported by these funds on a timely basis in accordance with the purposes and conditions specified. Restricted and endowed funds total £48.4m at 30 June 2024 (notes 17 and 18). The unrestricted funds represent the accumulated surpluses generated from general business activities and are funds that are available for use at the discretion of the trustees. They comprise fixed asset funds, designated funds and general funds.

Fixed assets fund

The fixed assets fund comprises the funds invested in fixed assets that the trustees consider essential in enabling the College to implement its operational strategy effectively. The fund represents the net book value of unrestricted tangible and intangible fixed assets and net of associated long-term loan funding. We held £66.6m in fixed assets fund at 30 June 2024 (2023: £68.2m). The fund includes £1.6m of assets in the course of construction in respect of the digital transformation programme to redesign our systems landscape. The fund also includes the £8.5m of historical cost in respect of the leased second and third floors, which are accounted for as investment property.

Designated funds

Designated funds are funds that the trustees have earmarked for specific purposes. We designated £1.5m in 2021 to support the next phase of digital transformation and new systems investment. £975k has been expended on digital transformation in the year to 30 June 2024.

General funds

In accordance with Charity Commission guidance, the trustees set a target range for the level of free reserves, or general funds, that the College should maintain to ensure its financial security and funding of its business plan. Free reserves or general funds are defined as total unrestricted funds less fixed assets and designated funds. The trustees determine that a prudent target range for the College's free reserves is between 75% and 100% (i.e., between nine and twelve months) of gross annual unrestricted operational expenditure, excluding movements in the pension reserve. This equates to a target range of £23.3m to £31.1m for 2023–24. This range is set taking into account:

- the risk of fluctuating income and expenditure levels;
- the risk of an unexpected need for funds;
- the need to provide working capital for the College's current operational and future development activities;
- the need to meet its annual obligations under the long-term loan arrangement in place since 2020;
- funding shortfalls in the USS and Superannuation Arrangements of the University of London (SAUL) defined benefit pension schemes and future increases in employer contributions to eliminate these shortfalls.

General funds stand at £24.74m at 30 June 2024. This is an increase of 13% or £2.89m on the previous year (2023: £21.85m). This represents 80% (2023: 72%) of the unrestricted annual operating expenditure, excluding movements on the pension reserve, within the target range. Free reserves have increased by the net income of £1.10m, a net unrealised investment gain of £2.86m arising on the unrestricted investment portfolio, and a £1.55m reduction in the fixed asset reserve, offset by £3.10m in respect of movement in the pension reserve. General funds are broadly represented by our unrestricted investment portfolio, which is providing 93% cover (2023: 96%) at a value of £23.0m as of 30 June 2024 (2023: £21.9m).

The College remains focused on its longer term objective of financial sustainability, so that it meets its future annual debt obligations and ensures that it maintains an appropriate level of free reserves to enable the College to withstand future unexpected events as well as deliver on its priorities.

Fundraising

The College aims to raise funds in accordance with best practice and in an open, legal and fair manner, and has effective systems in place to monitor and maintain these standards and ensure that communications with supporters are undertaken in a considered and balanced manner. We are registered with the Fundraising Regulator and undertake our fundraising activities with reference to the Code of Fundraising Practice. Each year, we review our data protection processes to ensure full compliance with the General Data Processing Regulation (2018). We do not engage commercial partners or volunteers to raise funds on our behalf. If complaints and concerns are raised, these are taken seriously and responded to promptly and handled in accordance with the College's complaints procedures, which are available on the website. We did not receive any complaints in respect of our fundraising activity in 2023–24 (2023: nil).

Investment policy

We invest for the long term and we invest to generate the best overall returns from our unrestricted and endowed funds to support both ongoing operational activity and activity undertaken in line with the specific purposes of the endowed funds. We seek to achieve this through diversified risk-controlled investment. We have adopted a total return strategy for all of our invested funds and a more global and broader asset allocation strategy to ensure that we continue to achieve the best returns going forward in what is a changing investment landscape.

Both portfolios are expected to deliver a minimum long-term total return of CPI plus 4% and to provide sufficient cash to support relevant annual expenditure commitments. Our investment with J.P. Morgan is in its fifth year and they have continued to take action during the year to pivot the portfolios towards our long-term asset investment strategy, reflecting greater geographical and asset class diversification.

Our statement on ethical investing was issued in 2021. This sets out our clear commitment to sustainable and responsible investing and strengthens our commitment to divesting from fossil fuels. We seek to divest from all exposure to fossil fuels by 2030 and will build up our investments in green energy renewables and infrastructure in support of the green economy. This statement is fully endorsed by our Council members.

We have adopted an environmental, social and governance (ESG)-integrated investment model to deliver on our ethical investment commitments. Our investment approach excludes direct investment in fossil fuels, tobacco, alcohol, controversial and conventional weapons, and we aim to minimise our levels of indirect exposure to these sectors through regular ethical screening and careful selection of fund managers with strong ESG credentials. We consider that our ESG-focused investment approach will enable us to meet our long-term return profile and therefore provide the funds to support our professional and operational objectives. We keep the details of our ESG investment approach under periodic review and a detailed evaluation will be conducted in 2025.

Short-term cash not required to support general operations is placed on short-term fixed-term deposits with approved financial institutions.

Investment portfolio performance

The Finance and Investment Committee oversees all matters pertaining to financial planning and performance, including investment management, and advises and reports on a regular basis to the Board of Trustees on the performance of the investment portfolios and the appointed fund managers.

Both portfolios are managed on a total return basis and are structured to enable the College to continue to receive an annual cash distribution of around £2m to support its ongoing operations and restricted activities. Greater focus is therefore placed on overall investment performance rather than on earning investment income. The investment portfolio delivered an overall unrealised gain of £7.9m (2023: £1.3m). Portfolio income rose to £0.76m this year (2023: £0.67m). A cash distribution of £2.4m was made during the year, comprising £1.5m against the restricted and endowed portfolio to replenish operating cash balances for endowed fund expenditure, and £0.89m against the unrestricted portfolio to finance the annual debt interest. The net return before divestment was 13.2%, but the final return net of fees was 9.4% for the year (2023: −1.2%).

Total return accounting

The College adopted total return accounting for its permanently endowed funds in 2014–15. A base date of 24 June 1992 was approved for determining the permanent capital value of the endowed funds, based upon the market value of the permanent endowments at that date and the original value of any subsequent additions. The value of these investments was frozen and classified as frozen permanent capital and the remaining value of the investments was classified as unapplied total return.

We seek to preserve the value of the endowments in real terms over the medium to long term. A target spending rate of between 3.5% and 4.5% of the value of the endowments is considered achievable without diminishing the value of the portfolio in real terms and represents our best estimate of the long-term real rate of return on the endowments. This target range is kept under review to ensure that it remains appropriate.

A total of £1.5m was applied in the year to fund restricted expenditure, and together with investment management fees of £0.30m, the total applied from the endowed funds was £1.8m. This represents an application of 4.5% in the year, which is at the top of the target rate range. The cumulative total applied since the adoption of total return accounting is in line with the cumulative maximum target level for this same period and we will continue to need a strong investment performance over the long term if spending plans are to continue at current rates.

Key management personnel

The People and Culture Committee oversees matters relating to structure, composition and effectiveness of the Board, and provides assurance to the Board that the College has an effective strategy to deliver an effective and high-performing workforce. The Committee oversees issues relating to the remuneration of staff with specific responsibility for making recommendations to the Board regarding overall remuneration policy, including approving salaries and conditions of service at director level and above. The Committee receives recommendations from the

Head of Human Resources based on a detailed market review benchmarked to similar organisations carried out biannually, as well as through the annual performance appraisal process. Based on this advice, the Committee makes recommendations to the Board on the remuneration and benefits of the Chief Executive Officer and other senior post holders.

Risk management

The Board of Trustees maintains ultimate responsibility for the College's risk management and control. The Board sets the risk appetite and oversees comprehensive risk management processes, with the Audit and Risk Committee specifically tasked with advising on financial reporting, overseeing risk management systems and appointing auditors.

The risk management framework involves multiple layers of oversight and implementation, from Council's handling of professional and public policy matters to the Chief Executive and executive team's operational management. Every staff member has risk management responsibilities, with all risks having clear ownership, measurement and monitoring processes. The College maintains departmental, project and corporate risk registers as part of its robust framework, which has undergone continued refinement and improvement throughout the year.

In 2024, the College maintained a robust approach to risk management, with particular focus on addressing challenges in the healthcare workforce setting. A significant concern has been the increasing reluctance of NHS trusts to release clinical staff for College activities, potentially impacting governance, standard-setting and educational courses. The College has actively engaged with other medical royal colleges, NHS England and the Department of Health and Social Care to advocate for the protection of Supporting Professional Activities in consultant contracts, recognising their crucial role in maintaining clinical excellence and education standards.

The College has made substantial progress in its digital transformation journey, implementing comprehensive improvements across its technology infrastructure. These digital initiatives are designed to enhance member experience, strengthen cyber security and ensure the College maintains its competitive edge while providing value to its professional community. The implementation of a new CRM system will enable more personalised support for current and prospective members. This includes the Digital Home Project, which incorporates a brand refresh and aims to deliver personalised services tailored to every stage of surgical and dental careers.

Financial sustainability remained a key priority, with careful attention paid to operating surpluses and long-term financial obligations. The College has also been proactive in addressing emerging challenges, including the optimisation of commercial property management.

A clear and focused strategy

Our five-year strategy 2021–26, Changing the Face of Surgery, sets out our vision of excellent surgical care for everyone, and we aim to achieve this by enabling our diverse members to deliver excellence in everything they do. Throughout implementation we will focus on the risks that may impact our ability to deliver our strategic aims including continued pressures on the NHS and regulatory changes. Our strong governance and engagement framework will also help to ensure we are able to respond to and manage any risks to our strategic objectives.

Going concern

The financial statements have been prepared on a going concern basis. The College has returned a reasonably strong performance for 2023–24, somewhat ahead of the financial forecast for 2023–24 and well ahead of the original budget. The economic uncertainty both within the UK and globally appears to be easing slightly with inflation, and now interest rates, reducing, and expectations for future UK growth being revised upwards. The decisive 2024 UK election result has also removed some political uncertainty. It is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2026.

The College prepares its annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to its revenue streams before the plan is finalised and approved. This next year will be one of consolidation and progress as the College continues its work to reshape the organisation, develop and broaden its revenue base, including new commercial revenue, and to build and strengthen its

membership offer to meet the needs of both the surgical and dental member communities. Revenues have recovered well following the pandemic but margins have narrowed significantly as a result of the ongoing inflationary environment. It is therefore vital that the College's transformation agenda is driven forward and a new business model is developed that positions the College to compete effectively in its marketplace and deliver longer term financial sustainability.

The College has updated its long-term revenue and cash projections for its latest results, annual plan, and other expected changes in its operating position over the next 18 to 24 months. The projections are stress-tested and set the minimum long-term operating surplus target that the College must achieve to meet its interest and repayment obligations in the medium to longer term. The College has sufficient cash reserves to support its general operations over the next 18 to 24 months.

The trustees consider that the College's primary revenue streams remain broadly robust and demand-positive over the medium term, and that any reduction in revenues in this period as a result of a downturn in demand will be short term and recoverable. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to respond to and minimise any adverse impact on its financial position.

The trustees are satisfied that RCS England is in a position to manage effectively its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

Corporate trustee responsibilities

The College is a corporate trustee of the Colledge Family Memorial Fellowship Trust. This trust holds investments and assets in its own name and its activities are entirely separate from those of the College.

Colledge Family Memorial Fellowship Trust

The College is one of three trustees of the Colledge Family Memorial Fellowship Trust, which was set up to award travelling fellowships to surgeons. The other trustees of this fund are Mr T George and Professor A Narula. We provide a number of services to the Trust, namely, the preparation of annual accounts, the submission of these and the annual return to the Charity Commission, and liaison with the investment fund managers, Cazenove Capital Management, to ensure that the funds are invested in accordance with the wishes of the trustees. The Trust's financial statements are audited by Crowe U.K. LLP.

The value of the Colledge Family Memorial Fellowship Trust endowed fund at 30 June 2024 is £2.8m (2023: £2.6m) and its restricted fund is £68k (£2023: £73k).

Other trustee responsibilities

The Sir Ratanji Dalal Research Scholarship Fund

Our President is one of two trustees of the Sir Ratanji Dalal Research Scholarship Fund, the other being the President of the Royal College of Physicians. We provide administrative and accounting services to the Fund and its trustees, preparing the annual accounts and annual return for submission to the Charity Commission. The financial statements are audited by Crowe U.K. LLP.

The value of the Sir Ratanji Dalal Research Scholarship endowed Fund was £0.77m at 30 June 2024 (2023: £0.72m) and its restricted fund was £121k (2023: £170k).

Funding partnerships

As a registered charity (212808), we rely upon charitable support to underpin our work in advancing surgical standards through education, research and training.

We are grateful to our many supporters, whose donations and encouragement are crucial as the demands on our limited resources become ever greater. We would like, in particular, to acknowledge the following charitable trusts, foundations, companies and individuals.

Foundations, charitable trusts, associations and individuals

Association of Breast Surgery	Hon Society of Knights of the Round Table Benevolent Fund
Association of Coloproctology of Great Britain and Ireland	Huggard Charitable Trust
Blond McIndoe Research Foundation	Linder Foundation
Bowel Cancer UK	Lollipop Foundation
Bowel Research UK	Marx Family Trust
Breast Cancer UK	Masonic Charitable Foundation
British Association of Urological Surgeons	Miss Leela Kapila OBE FRCS
British Gynaecological Cancer Society	Mr Bjorn Saven
British Obesity & Metabolic Surgery Society	Mr Leon J Grant
Brock Webb Trust	National Joint Registry
Bryan Guinness Charitable Trust	Occtopus
Circulation Foundation	Orthopaedic Research UK
Edwin George Robinson Charitable Trust	PF Charitable Trust
ENT UK	Professor Miles H Irving KB FRCS
Frances and Augustus Newman Foundation	Rosetrees Charitable Trust
Freemasons Fund for Surgical Research	Shears Foundation
G D Herbert Charitable Trust	Sir John Fisher Foundation
G M Morrison Charitable Trust	Society for Cardiothoracic Surgery in Great Britain and Ireland
George Drexler Foundation	St Jude's Charitable Trust
Gilbert and Eileen Edgar Foundation	Swann-Morton Foundation
Globe Lodge No. 23	Vascular Surgical Society of Great Britain and Ireland
Gunnar Nilsson Cancer Treatment Trust Fund	Worshipful Company of Needlemakers
Health Education England	Wyndham Charitable Trust
Henry Lumley Charitable Trust	

Corporate Support

Abbott Medical	Medtronic
B Braun Medical Ltd	Molnlycke Health Care
Bloomberg Connects	Pensionlite Ltd
Butterfly Network	Rocialle Healthcare
CMR Surgical Ltd	Siemens Healthineers
Eido Healthcare Limited	Stryker Corporation
Ethicon UK	THD (UK) Ltd
Immerse Education	Thomas Tunnock Ltd
Karl Storz Endoscopy (UK) Ltd	TruCorp Ltd

Endowed and Restricted Funds

Alban Barros D'Sa Scholarship Fund	Henry Lumley Charitable Trust
Arthritis Research Trust Fund	Margaret Witt Scholarship Fund
Blond McIndoe Fund	Philip and Lydia Cutner Fund
Doctor Shapurjui H Modi Memorial ENT Fund	Preiskel Family Fund
Fellows Fellowship Fund	Sorab (Soli) Jamshed Lam Research Fund
Harold Bridges Bequest	Vandervell Research Fund

Legacies

The late Ms J Anderton for general charitable purposes	The late Mr M W E Morgan for general charitable purposes
The late Ms L Bartlett for the Margaret Witt Fund	The late Mrs B Mountford-Quinn for general charitable purposes
The late Ms D C Bartley for general charitable purposes	The late Mr A R Mowlem for general charitable purposes
The late Mr D P Goodwin for general charitable purposes	The late Mr A G Neville for general charitable purposes
The late Mr R W Heslop for general charitable purposes	The late Mr N J Norris for general charitable purposes
The late Ms W L W Maclean for general charitable purposes	The late Miss S J White for general charitable purposes
The late Mr F T Middleton for general charitable purposes	

Structure, governance and management

Charter

The Royal College of Surgeons of England was established by Royal Charter in 1800 to promote and encourage the study and practice of the art and science of surgery. Its earlier history lies in the records of the City Companies of Surgeons and Barber Surgeons. The affairs of the College are regulated by its founding and subsequent charters and ordinances. The most recent of these charters was granted in April 2015, and prior to that in March 1992. The College is a charity, with the registered number 212808.

Constituent parts

For administrative purposes, the College comprises the Commonalty of Surgeons and the Faculty of Dental Surgery.

Trustees

The Board of Trustees, which came into effect with our new Charter in April 2015, comprises the College Officers, the Dean of the FDS, three elected trustees (elected by and from Council), and four lay trustees appointed by the Board.

Officers	
President	Mr T Mitchell (from 13 July 2023)
	Professor Sir N Mortensen (to 13 July 2023)
Vice-Presidents	Professor F Myint
	Mr T Goodacre (to 13 July 2023)
	Mr T Mitchell (to 13 July 2023)
	Professor V Lees (from 13 July 2023)
	Professor P Friend (from 13 July 2023)
Dean of the Faculty of Dental Surgery	Dr C Eckhardt

Elected Trustees	Lay Trustees
Mr L Wijesinghe (to 6 June 2024)	Mr P Davé
Mr W Allum	Mr S Davis
Professor F Bhatti	Mr R Greig
Professor A Carr (from 6 June 2024)	Miss J Kirby (from 27 July 2023)

Members of Council

Council consists of 24 elected surgical fellows, 10 appointed surgical specialty association members, and 2 dental surgery fellows elected by the Board of the FDS. Surgical Council members are elected by ballot by fellows and members of the College. Specialty association members are appointed by a transparent and democratic procedure that has been determined by their appointing surgical specialty association and approved by the Council. In addition, during the year a number of invited members representing specific interests attended Council meetings.

Elected surgical and dental fellows

Mr A Ahmed	Professor F Smith
Mr W Allum	Ms S Vig
Professor F Bhatti	Mr L Wijesinghe
Professor P Brennan	Miss N Yassin
Dr C Eckhardt	Ms G Bowbrick (from 13 July 2023)
Miss N Fearnhead	Professor A Carr (from 13 July 2023)
Professor P Friend	Ms D Kufeji (from 13 July 2023)
Ms L Hamilton	Miss B Lovett (from 13 July 2023)
Miss R Hargest	Mr R Moorthy (from 13 July 2023)
Miss S Howells	Professor P Sagar (from 13 July 2023)
Mr O Karim	Mr T Goodacre (to 13 July 2023)
Professor C Lavy	Mr R Kerr (to 13 July 2023)
Professor V Lees	Professor N Mortensen (to 13 July 2023)
Professor I Loftus	Mr A Nanu (to 13 July 2023)
Mr T Mitchell	Miss V Pegna (to 13 July 2023)
Mr S Singh	Professor T Rockall (to 13 July 2023)

Surgical specialty association members

Mr N Moorjani	Mr S Dover (to 13 July 2023)
Professor R Sayers	Mr J Glass (to 13 July 2023)
Mr S Singh	Mr T Goodacre (to 13 July 2023)
Mr K Allison (from 13 July 2023)	Mr N Phillips (to 13 July 2023)
Mr J Epstein (from 13 July 2023)	Professor P Sagar (to 13 July 2023)
Mr W Hellier (from 13 July 2023)	Professor J Skinner (to 13 July 2023)
Professor I Kamaly-Asl (from 13 July 2023)	Mr P Spraggs (to 13 July 2023)
Mr F Monsell (from 13 July 2023)	
Professor N Soomro (from 13 July 2023)	
Mr B Visavadia (from 13 July 2023)	

Governance

The Board of Trustees has responsibility for the overall direction of the College, but delegates all substantive matters relating to professional and public policy to the Council and allows the Council to further delegate its powers. All trustees and Council members are given an induction course and ongoing training on their responsibilities and other matters as required.

The trustees are aware of the Charity Governance Code published in 2017, which sets out the principles and recommended practice for good governance within the sector. The trustees are committed to maintaining high standards of governance and are satisfied that the College applies the principles of the Code within its current governance arrangements. The College's compliance with the Code will be reviewed on an annual basis.

The committees of the Board of Trustees are:

Committee	Chair
Audit and Risk Committee	Mr P Davé
Finance and Investment Committee	Miss J Kirby (from 27 July 2023)
People and Culture Committee	Mr R Greig
Health and Safety	Mr A Reed

The committees of the Council are:

Committee	Council Member
Learning and assessment	
Overall responsibility	Professor F Myint
Learning	Miss R Hargest (from 13 July 2023)
	Mr R Kerr (to 13 July 2023)
Dental and Surgical Examinations	Professor F Smith (from 16 June 2023)
	Mr M Garrett (to 16 June 2023)
Library, Museums and Archives	Professor F Myint
Quality Assurance	Professor F Bhatti (from 13 July 2023)
	Mr A Nanu (to 13 July 2023)
Research and Quality	
Overall responsibility	Professor V Lees (from 13 July 2023)
	Mr T Goodacre (to 13 July 2023)
Research Fellowships and Lectureships	Professor I Loftus (from 13 July 2023)
	Professor P Friend (to 13 July 2023)
Global Committee	
Overall responsibility	Professor V Lees (from 13 July 2023)
	Mr T Goodacre (to 13 July 2023)
Global Policy and Advocacy	Mr L Wijesinghe (from 13 July 2023)
	Mr T Goodacre (to 13 July 2023)
Global Surgery Programmes	Professor C Lavy
Membership Engagement	
Overall responsibility	Professor P Friend (from 13 July 2023)
	Mr T Mitchell (to 13 July 2023)
Future of Surgery	Professor P Sagar (from 13 July 2023)
	Professor J Skinner (to 13 July 2023)

The FDS reports to Council and forms part of the business of the Board of Trustees. The Faculty has its own committee structure and has a Dean to chair the Board of the Faculty. The results of the FDS are included in the College's financial statements.

The Board delegates to the Chief Executive responsibility for the day-to-day management of the College and the Chief Executive delegates management of specific functions to Executive Directors, each of whom is responsible for a portfolio of directorates.

Subscribing fellows and members elect the Council and the Board of the FDS.

Management

Principal managers employed during 2023-24	
Chief Executive	Mr A Reed
Deputy Chief Executive, Executive Director (Planning and Operations)	Mrs J Weller
Executive Director (Resources)	Ms J Porritt (to 1 September 2023)
Executive Director (Professional Services)	Mr S Hills
Executive Director (External Affairs and Engagement)	Ms L Davies
Executive Director (Finance)	Mr S Fox (from 16 September 2024)
Director of Finance	Ms C Hibbs (to 13 September 2024)
Director of Dental and Surgical Exams	Mr A Landau
Director of Learning	Ms L Goldring
Director of Library and Archives	Mr R Williams (to 29 November 2023)
Director of Library and Archives	Ms S Pink (from 3 June 2024)
Director of Membership	Ms N Rowe
Director of Museums	Ms D Kemp
Director of Research and Quality Improvement	Mr R Tomlinson
Director of Strategy, Training and Workforce	Ms K Smith
Registrar of the Faculty of Dental Surgery	Ms H Johnstone

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of Trustees and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the group, and of their net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

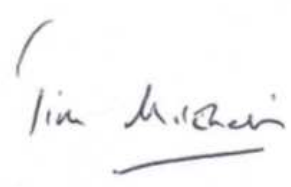
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and the group will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Crowe U.K. LLP has indicated its willingness to be reappointed as the company's auditor for the coming year.

Signed on behalf of the members of the Board of Trustees on 14 November 2024.



T Mitchell
President of Council
Chair of the Board of Trustees

V Lees
Vice-President of Council
Member of the Board of Trustees

Independent Auditor's Report to the Members of the Royal College of Surgeons of England

Opinion

We have audited the financial statements of the Royal College of Surgeons of England ("the Charity ") and its subsidiaries ("the group") for the year ended 30 June 2024 which comprise Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 the parent Charity's affairs as at 30 June 2024 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 42, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 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 151 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities Statement of Recommended Practice (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were GDPR, taxation legislation and employment legislation.

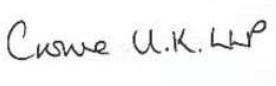
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and legacy income, estimates and judgements applied by management in property investments and the defined benefit pension scheme and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Crowe U.K. LLP
Statutory Auditor
London
Date: 18 December 2024

Crowe U.K. 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.

Financial Statements

Consolidated statement of financial activities for the year ended 30 June 2024

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Totals 2024 £000	Totals 2023 £000
Income from						
Grants, donations and legacies	5a	241	5,423	-	5,664	5,940
Charitable activities	5b	26,528	43	-	26,571	24,924
Trading activities	5c	1,257	70	-	1,327	1,101
Investment Income	5d	1,035	27	510	1,572	1,580
Total Income		**29,061**	**5,563**	**510**	**35,134**	**33,545**
Expenditure On						
Raising funds	6a	575	15	295	885	1,036
Charitable activities	6b	26,538	6,945	-	33,483	30,090
Other expenditure	6c	853	-	-	853	4,983
Total Expenditure		**27,966**	**6,960**	**295**	**35,221**	**36,109**
Net income/(expenditure) before gains		**1,095**	**(1,397)**	**215**	**(87)**	**(2,564)**
Net gains/(losses) on investments	11	5,128	252	4,837	10,217	111
Net income/(expenditure)		**6,223**	**(1,145)**	**5,052**	**10,130**	**(2,453)**
Application of total return	20	-	1,672	(1,672)	-	-
Net movement in funds for the year		**6,223**	**527**	**3,380**	**10,130**	**(2,453)**
Balances brought forward at 1 July	16-18	90,510	5,869	38,655	135,034	137,487
Balances carried forward at 30 June 2024	**16-18**	**96,733**	**6,396**	**42,035**	**145,164**	**135,034**

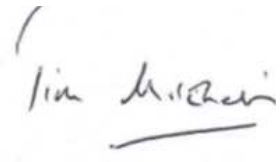
The notes to the financial statements are on pages 46 to 74.

Consolidated balance sheet as at 30 June 2024

	Notes	2024 GROUP £000s	2024 RCS £000s	2023 GROUP £000s	2023 RCS £000s
Fixed assets					
Tangible fixed assets	9	96,123	96,123	102,676	102,676
Intangible fixed assets	9	2,006	2,006	1,284	1,284
Investments	11	85,363	85,363	72,906	72,906
Total fixed assets		**183,492**	**183,492**	**176,866**	**176,866**
Current assets					
Stock		48	24	41	41
Debtors	12	10,192	10,374	8,861	9,480
Cash and short-term deposits		7,874	7,716	8,221	8,221
Total current assets		**18,114**	**18,114**	**17,123**	**17,742**
Current liabilities					
Creditors: amounts falling due within one year	13	(16,399)	(16,399)	(15,854)	(16,473)
Total current liabilities		(16,399)	(16,399)	(15,854)	(16,473)
Net current assets/(liabilities)		**1,715**	**1,715**	**1,269**	**1,269**
Long-term liabilities					
Creditors: amounts falling due after more than one year	13	(43)	(43)	-	-
Long term loan		(40,000)	(40,000)	(40,000)	(40,000)
Defined benefit pension liability	20	-	-	(3,101)	(3,101)
Total long-term liabilities		**(40,043)**	**(40,043)**	**(43,101)**	**(43,101)**
Net assets		**145,164**	**145,164**	**135,034**	**135,034**
Funds					
Unrestricted funds:					
Fixed asset funds		66,611	66,611	68,161	68,161
Other designated funds		154	154	642	642
Property revaluation reserve		5,233	5,233	2,959	2,959
Pension reserve		-	-	(3,101)	(3,101)
General funds		24,735	24,735	21,849	21,849
Total unrestricted funds	**16**	**96,733**	**96,733**	**90,510**	**90,510**
Restricted funds	17	6,396	6,396	5,869	5,869
Endowed funds	18	42,035	42,035	38,655	38,655
Total funds		**145,164**	**145,164**	**135,034**	**135,034**

The notes on pages 46 to 74 form part of these financial statements. The parent charity surplus for the year is £10.13m (2023: £2.45m deficit).

Approved on behalf of the members of the Board of Trustees and authorised for issue on 14 November 2024.



Mr T Mitchell
President of Council
Chair of the Board of Trustees

Professor V Lees
Vice-President of Council
Member of the Board of Trustees

Consolidated cash flow statement as at 30 June 2024

	Notes	Total funds 2024 £000	Total funds 2023 £000
Net cash provided by (used in) operating activities	**A**	**(2,475)**	**(4,293)**
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,572	1,580
Purchase of property, plant and equipment		(1,485)	(2,010)
Proceeds from sale of investments		2,826	2,777
Purchase of investments		(785)	(674)
Net cash provided by / (used in) investing activities		**2,128**	**1,673**
Change in cash and cash equivalents in the reporting period		**(347)**	**(2,620)**
Cash and cash equivalents at the beginning of the reporting period	B	8,221	10,841
Cash and cash equivalents at the end of the reporting period	**B**	**7,874**	**8,221**
A. Reconciliation of cash flows from operating activities			
Net income/(expenditure) for the reporting period (as per statement of financial activities)		**10,130**	**(2,453)**
Adjustments for:			
Depreciation charges		2,956	2,608
(Gains)/losses on investments		(10,217)	(111)
Dividends, interest and rents from investments		(1,572)	(1,580)
Loss/(Profit) on sale of fixed assets		79	1,298
(Increase)/decrease in stocks		(7)	26
(Increase)/decrease in debtors		(1,331)	(3,713)
Increase/(decrease) in creditors		(2,513)	(368)
Net cash provided by/(used in) operating activities		**(2,475)**	**(4,293)**
B. Analysis of cash and cash equivalents			
Current and short term deposits		7,874	8,221
Total cash and cash equivalents		**7,874**	**8,221**

The notes on pages 46 to 74 form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2024

1. Charity information

The Royal College of Surgeons of England was established by Royal Charter in 1800 and is a registered charity in England and Wales (Charity no. 212808).

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and in accordance with the Statement of Recommended Practice (SORP): "Accounting and Reporting by Charities (2019) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", effective from 1 January 2019, and the Charities Act 2011. The College constitutes a public benefit entity as defined by FRS 102.
The financial statements consolidate on a line-by-line basis the financial statements of the Royal College of Surgeons of England and of its subsidiary undertaking, Hunter Trading Limited (company number: 3110552), for the financial year ended 30 June 2024. Intergroup transactions are eliminated on consolidation. Hunter Trading Limited is a private limited company incorporated in England and Wales.

2.1 Going concern

The financial statements have been prepared on a going concern basis. The College has returned a reasonably strong performance for 2023–24, somewhat ahead of the financial forecast for 2023–24 and well ahead of the original budget. The economic uncertainty both within the UK and globally appears to be easing slightly with inflation, and now interest rates, reducing and expectations for future UK growth being revised upwards. The decisive 2024 UK election result has also removed some political uncertainty. It is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2026.

The College prepares its annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to its revenue streams before the plan is finalised and approved.
This next year will be a year of consolidation and progress as the College continues its work to reshape the organisation, develop and broaden its revenue base, including new commercial revenue, and to build and strengthen its membership offer to meet the needs of both the surgical and dental member communities. Revenues have recovered well following the pandemic but margins have narrowed significantly as a result of the ongoing inflationary environment. It is therefore vital that the College's transformation agenda is driven forward and a new business model is developed that positions the College to compete effectively in its marketplace and deliver longer term financial sustainability.

The College has updated its long-term revenue and cash projections for its latest results, annual plan and other expected changes in its operating position over the next 18 to 24 months. The projections are stress-tested and set the minimum long-term operating surplus target that the College must achieve in order to meet its interest and repayment obligations in the medium to longer term. The College has sufficient cash reserves to support its general operations over the next 18 to 24 months.

The trustees consider that the College's primary revenue streams remain broadly robust and demand-positive over the medium term, and that, any reduction in revenues in this period as a result of a downturn in demand will be short term and recoverable. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to respond to and minimise any adverse impact on its financial position.

The trustees are satisfied that RCS England is in a position to manage effectively its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

3. Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements may require management to make judgements and estimations in the process of applying the College's accounting policies that have a significant effect on the carrying amounts of assets and liabilities in the accounts. The nature of judgement and estimation means that actual outcomes may differ from expectation and may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

No judgements other than those involving estimations have been made by management in the process of applying the College's accounting policies in the preparation of these statements. Sources of estimation uncertainty may vary from year to year and these are reassessed each year to ensure disclosure remains relevant.

Significant areas of estimation uncertainty in respect of the financial statements to 30 June 2024 are set out below:

- application of component accounting in respect of fixed asset items with significantly different useful economic lives;
- determination of useful economic lives for fixed asset items;
- determination of mixed-use property;
- calculation of defined benefit pension scheme liabilities.

3.1. Component accounting

The construction of the redeveloped freehold property was completed on 30 April 2021 and the property was brought into use from this date. The total redevelopment cost was allocated across the relevant fixed asset classes. Major components within each asset class were assigned depreciation measures that reflect their significantly different useful economic lives. This was based upon a detailed assessment of the construction contract provided by the capital programme's cost management consultants and discussions with the consultants to agree the principles of allocation in respect of costs not directly linked to physical assets. Management revised the asset allocation only where required in order to ensure consistency of categorisation and alignment with standard asset accounting categorisations. Other assets within the class were grouped for depreciation purposes and allocated the depreciation measure of the nearest major component asset. Management considers that this approach provides a reasonable basis upon which to depreciate all of the assets within each class (see accounting policy 4.4.1 Tangible fixed assets).

The build and fit-out works in respect of the Hunterian Museum were fully completed by 24 May 2023. The asset was deemed to have been brought into use with an effective date of 1 June 2023. The cost of works has been allocated across the appropriate fixed asset classes based upon a detailed assessment of the contracted works provided by the programme's project management consultants. Components within each asset class were assigned depreciation measures that reflect their different useful economic lives. Costs not directly linked to physical assets were grouped and allocated to the largest component asset.

3.2. Useful economic lives

The depreciation rates adopted in respect of the major components of each fixed asset class arising from the redevelopment of the freehold property have been based on useful economic lives determined by the capital programme's specialist construction cost management consultants.

The depreciation rates adopted in respect of the components of each fixed asset class arising from the museum build and fit-out works have been based on useful economic lives determined by the programme's project management consultants.

Depreciation rates in respect of other fixed asset items in operational use are based on a range of factors including warranty periods and average expected replacement cycles as determined by relevant management personnel.

3.3. Mixed-use property

The College intends to lease part of its freehold property to other organisations for the purposes of earning rental income. The freehold property is therefore a mixed-use property where part of the property is held for use in the ordinary course of business and part of the property is held as an investment property.

The total cost of the freehold property has been apportioned between the net internal area and the gross internal area and then to each floor on a net internal area basis using the area data from the architect-approved floor plans. The investment property is measured at cost at initial recognition and then measured subsequently at fair value in accordance with FRS 102.

An assessment of the fair value is undertaken at each year-end by an appropriately qualified property valuer. The valuation is based upon a set of assumptions and estimates, for example, yields, whereby a small change in these estimates may result in a material impact on the value attributed to the investment property in the financial statements.

3.4. Defined benefit pension scheme liabilities

The College participates in two multi-employer defined benefit pension schemes where the College is exposed to actuarial risks associated with other participating entities and is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Both schemes are currently in surplus (see note 20) so no liability is recognised in these accounts.

4. Principal accounting policies

4.1. Income

Income is recognised when the entitlement is established, there is probability of receipt and the amount can be reliably measured. Income received relating to future accounting periods is deferred and shown as a creditor on the balance sheet.

4.1.1 Course and examination fees are recognised in the financial statements in the period in which the relevant course and examination takes place.
4.1.2 Membership subscription fees are accounted for on an accruals basis.
4.1.3 Grant income (revenue and capital) is accounted for on a receivables basis.
4.1.4 General and specific donations are credited in full in the year of receipt.
4.1.5 Legacy income is recognised when notified, providing the amount is measurable and receipt is probable.
4.1.6 Investment income is credited on a receivables basis.
4.1.7 Other income is accounted for on an accruals basis and recognised in the financial statements to the extent that the contract or service is completed

4.2. Expenditure

All expenditure is accounted for on an accruals basis, and, with the exception of support costs, is attributed directly to each activity undertaken.

Expenditure in respect of charitable activities is categorised to reflect those areas of activity that support the delivery of our strategic priorities.

4.2.1 Employee costs include the net movement in year on the provision for annual leave accrued by employees in respect of services rendered as required by FRS 102.
4.2.2 Support costs are allocated to activities on a basis consistent with the use of these resources: building services costs are charged to departments and faculties based upon area occupied; portering and cleaning services, finance, IT and human resources costs are allocated based on the number of full-time equivalent staff.
4.2.3 Governance costs comprise those costs incurred in relation to the overall strategic management of the College, and the costs of compliance with statutory requirements and under FRS 102 are disclosed as part of support costs and allocated to other professional activities.
4.2.4 Overheads in relation to grant-funded projects are charged, where appropriate, on the basis of their activity.
4.2.5 Grants payable are charged in full in the period in which the recipients are notified of their award.
4.2.6 Fundraising costs comprise the costs incurred in encouraging others to make voluntary contributions to the College and its activities.

4.3. Taxation

The College is a registered charity incorporated by Royal Charter and as such is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.
The College's wholly owned subsidiary, Hunter Trading Limited, is liable to corporation tax, but all profits earned on its trading operations are gifted each year to the College.

The College is partially exempt for the purposes of VAT and is only able to reclaim a percentage element of VAT charged on goods and services purchased.

4.4. Tangible and intangible fixed assets

4.4.1 Tangible fixed assets
Freehold land is stated at historic cost and is not depreciated as it is considered that its value is not impaired by the passage of time and therefore has an unlimited useful life.

Property development project which are not completed at the year-end are shown as 'Assets in the course of construction' and are not depreciated until they are brought into use on practical completion.

In accordance with Section 17 of FRS 102 (Property, Plant and Equipment), all fixed asset items are measured at cost at initial recognition. All items of property, plant and equipment are measured after initial recognition using the cost model. Under this model each fixed asset item is measured at cost less any accumulated depreciation and any accumulated impairment losses. Fixed assets are reviewed for impairment on an annual basis.

The freehold property redevelopment was completed on 30 April 2021. The total cost of redevelopment on practical completion was allocated to four major asset classes; freehold building, plant and machinery, fixtures and fittings, and infrastructure equipment. The major component assets of each asset class were identified. These component assets are subject to significantly different patterns of consumption of economic benefits. The useful life of these assets was determined by construction cost management specialists. The useful lives of each of the major component assets within each asset class have been adopted as the principal component depreciation measures. Other assets that were not identified as major component assets were allocated the useful life of the nearest major component asset as we consider that the useful lives of the major asset components reflect reasonably the varying patterns of consumption of future economic benefits for the entire asset class.

The cost of the completed museum works has been allocated to three major tangible asset classes, plant and machinery, fixtures and fittings, and infrastructure equipment; and to one intangible asset class, computer software. The useful life of the component assets in each asset class has been determined by external cost management specialists and these lives have been adopted as the component depreciation measures.

All assets are depreciated over their useful lives using the straight-line method and the annual depreciation charge is recognised under Other expenditure in the statement of financial activities.

The depreciation measures are set out as follows:

i. Freehold property assets are depreciated over component periods of 45, 60, 75 and 80 years.
ii. Plant and machinery assets are depreciated over component periods of 20, 25 and 40 years.
iii. Fixture and fittings assets are depreciated over component periods of 5, 10, 15, 20, 25, 30 and 50 years.
iv. Infrastructure equipment assets are depreciated over component periods of 5, 8, 10 and 15 years.
v. Furniture assets are depreciated over component periods of 5 and 10 years.
vi. Computer and other equipment is depreciated over 4 years.

4.4.2 Intangible fixed assets
Intangible fixed assets are measured at cost less accumulated amortisation and any impairment losses. Software development costs are recognised as an intangible fixed asset where these create an identifiable software asset from which future economic benefit will be derived. Any enhancements to existing software assets that result in additional functionality and therefore enhance the value of the asset to the business are also capitalised.

Software development projects which are not completed at the year-end are shown as "Assets in the course of construction" and are not depreciated until they are brought into use on practical completion.

The allocation of the cost of the museum works to fixed asset classes included a software component asset. This has been assigned to the computer software asset class and assigned an appropriate depreciation measure as determined by the external cost management specialists.

All assets are depreciated over their useful lives using the straight-line method and the annual depreciation charge is recognised under "Other expenditure" in the statement of financial activities.

Software assets are depreciated over component periods of 4 or 10 years.

4.5. Fixed asset investments

Fixed asset investments are stated at fair value at the balance sheet date. These investments include cash held by the investment managers intended for investment or held as part of the portfolio.

In accordance with Section 16 of FRS 102, investment property is property (land, building and part of a building) held by the College for long-term rental yields and for capital appreciation and is not used for operational purposes. Investment property is measured at cost at initial recognition and then is measured subsequently at fair value.

Valuations are carried out for financial accounting purposes in accordance with the Valuation – Global Standards 2020 of the Royal Institution of Chartered Surveyors. Fair value represents the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction.

Changes in fair value representing the net unrealised gains and losses arising on revaluation are recognised in the Statement of Financial Activities together with the realised gains and losses arising from disposals in the year.

Where part of the freehold property is or is intended to be leased to another entity, then the property is deemed to be mixed-use property and the cost of the property must be separated between property, plant and equipment that is held for operational use under tangible fixed assets and investment property that represents the area leased to another entity. If the fair value of the investment property component cannot be measured reliably then the entire property is accounted for as property under tangible fixed assets.

Endowments are accounted for under the total return approach using a base date of 24 June 1992 to determine the permanent capital of each endowment.

4.6. Heritage assets

Heritage assets are books, manuscripts, specimens, objects or other assets that have historic, scientific, artistic, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The College's heritage assets comprise mainly the numerous specimens and artefacts collected by John Hunter in the 1700s and presented to the College in 1799, and leading to the establishment of the Hunterian Museum. The College is by law the proprietor of these specimens and the Hunterian trustees have a duty to ensure that the College maintains the specimens and does not dispose of them. The College also owns historic books related to surgery and medicine which were bequests in the 19th century and are preserved and maintained in the library and are not to be disposed.

No value has been attributed to these heritage assets in the balance sheet on the grounds that the trustees consider there is no reliable method of establishing historic cost information for these artefacts and that the costs of valuation would be disproportionate to the benefit of the resultant information. No heritage assets were purchased during the period of the closure of the Hunterian Museum and no donated heritage assets have been received in this accounting period.

4.7. Stock

Stock comprises goods produced for re-sale, including course manuals purchased or printed, and is stated at the lower of cost and net realisable value.

4.8. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and cash held on readily realisable short-term deposits with approved financial institutions.

4.9. Financial instruments

A financial instrument is broadly defined as a contract that gives rise to a financial asset in one entity and a financial liability in another entity. These financial assets and liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. The College has financial instruments that fall into the category of basic financial instruments as defined under Section 11 of FRS 102. FRS 102 requires disclosure of the measurement bases of these instruments.

Financial assets measured at amortised cost include cash, trade debtors, other debtors and accrued income. Financial assets measured at fair value include investments. Financial liabilities measured at amortised cost include trade creditors, other creditors and accruals.

4.10. Post-employment benefits

The College contributes to four pension schemes on behalf of its employees: the USS, a multi-employer externally funded hybrid scheme providing defined benefits and defined contribution benefits; the SAUL, a multi-employer externally funded defined benefit scheme; the NHS Pension Scheme, a statutory unfunded multi-employer defined benefit public sector scheme; and Standard Life, a defined contribution scheme set up for employees in 2014. The USS scheme changed from a defined benefit only scheme to a hybrid pension scheme with effect from 1 October 2016, providing defined benefits (for all members), as well as defined contribution benefits.

The trustees are satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme, whereby the participating entities are not under common control and the schemes represent industry-wide schemes. Where the employer has entered into an agreement with a multi-employer scheme that determines how the employer will fund a scheme's deficit, FRS 102 requires that the employer recognises the liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the income and expenditure account.

The assets of the USS and SAUL multi-employer schemes are held in separate trustee-administered funds. Given the mutual nature of these schemes, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other entities' employees and is unable to identify the College's share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The College is therefore required under Section 28 of FRS 102 (Employee Benefits), to account for these schemes as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

Formal valuations of USS and SAUL are undertaken every three years by professional qualified and independent actuaries using the projected unit method in which the actuarial liability for benefits makes allowance for projected increases in earnings. The Pensions Act 2004 introduced a new scheme-specific funding regime, requiring schemes to adopt a statutory funding objective and ensure that the schemes' assets are sufficient and appropriate to cover their technical provisions.

The College accounts for the NHS scheme as a defined contribution scheme and the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. The College contributes also to a defined contribution scheme with Standard Life and the pension costs charged to the income and expenditure account represent the contributions payable for the accounting period.

4.11. Other provisions for liabilities

Provisions are recognised when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that the College will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the consideration required to settle this obligation at the end of the reporting period.

4.12. Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

4.13. Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the College's general charitable objectives.

Designated funds are unrestricted funds that have been designated by the trustees to be applied for specific purposes in the future.

Fixed assets funds represent the net book value of the unrestricted tangible and intangible fixed assets less any associated debt raised to finance fixed assets and the trustees consider that these assets are essential to the implementation of the College's operational strategy and that their disposal could adversely impact on the College's ability to deliver its aims.

Restricted funds represent donations, legacies or other grants, given for specific purposes to be expended in accordance with the terms of the donation, legacy or grant.

Endowed funds represent donations or legacies given to the College, the terms of which stipulate that the original capital cannot be spent. The funds are invested to generate an income and capital growth, which can then be expended in accordance with the purposes stated by the donor.

5. Income

	Unrestricted Funds	Restricted Funds	Endowment Funds	2024	2023
Income from:	**£000**	**£000**	**£000**	**£000**	**£000**
5a. Grants, donations and legacies					
Donations	53	294	-	347	675
Grants	7	4,704	-	4,711	4,380
Legacies	181	425	-	606	885
Total	**241**	**5,423**	**-**	**5,664**	**5,940**
5b. Charitable activities					
Courses	3,619	27	-	3,646	3,092
Examinations	9,800	-	-	9,800	8,523
Subscriptions	9,837	16	-	9,853	9,391
Quality and standards income	1,095	-	-	1,095	1,157
Other charitable income	2,177	-	-	2,177	2,761
Total	**26,528**	**43**	**-**	**26,571**	**24,924**
5c. Trading activities					
Income from charitable trading	319	70	-	389	445
Income from taxable trading	938	-	-	938	656
Total	**1,257**	**70**	**-**	**1,327**	**1,101**
5d. Investment income					
Investment property income	757	-	-	757	894
Investment portfolio income	223	27	510	760	674
Interest received	55	-	-	55	12
Total	**1,035**	**27**	**510**	**1,572**	**1,580**
Income Total	**29,061**	**5,563**	**510**	**35,134**	**33,545**

Major legacies or gifts notified but not included in the financial statements, as they do not meet the income recognition criteria of entitlement, probability of receipt and measurement at the balance sheet date amount to £195k (2023: £231k).

6. Expenditure

Expenditure on:	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2024 £000	2023 £000
6a. Raising funds					
Fundraising costs	437	-	-	437	651
Investment management fees	138	15	295	448	385
Total	**575**	**15**	**295**	**885**	**1,036**
6b. Charitable activities					
Quality and standards	1,670	2,825	-	4,495	3,498
Career and professional development	7,105	611	-	7,716	7,055
Influence and engagement	2,871	159	-	3,030	3,022
Training and assessing surgeons	9,495	69	-	9,564	8,312
Promoting public and professional engagement	2,961	402	-	3,363	3,232
Research	-	2,819	-	2,819	2,554
Faculty of Dental Surgery	2,436	60	-	2,496	2,417
Total	**26,538**	**6,945**	**-**	**33,483**	**30,090**
6c. Other expenditure					
38-43 Lincoln's Inn Fields depreciation	2,399	-	-	2,399	2,373
Hunterian Museum depreciation	307	-	-	307	24
Assets written off in the course of construction	67	-	-	67	1,298
Interest payable	888	-	-	888	888
Other expenditure	293	-	-	293	505
FRS 102 pension costs	(3,101)	-	-	(3,101)	(105)
Total	**853**	**-**	**-**	**853**	**4,983**
Expenditure Total	**27,966**	**6,960**	**295**	**35,221**	**36,109**

Allocated support costs

Support costs comprise building and visitor management services, finance and IT services, human resources and governance costs. These costs are allocated to activities on a basis consistent with the use of these resources. The allocation method and cost of each support service is summarised below.

Support Services	Allocation Basis	2024 £000	2023 £000
Building Services	Space occupied	1,552	1,445
Facilities Services, incl. portering and cleaning	Full-time equivalent staff	1,565	1,181
Human Resources	Full-time equivalent staff	389	322
Finance Services	Full-time equivalent staff	1,735	1,650
IT Services	Full-time equivalent staff	2,862	2,943
Governance costs		1,320	1,319
Total Support Costs		**9,423**	**8,860**

Support Costs Allocation	Direct costs	Grants made	Allocared support costs	2024	2023
Expenditure on:	**£000**	**£000**	**£000**	**£000**	**£000**
Raising funds					
Fundraising costs	131	-	306	437	651
Investment management fees	448	-	-	448	385
Total	**579**	**-**	**306**	**885**	**1,036**
Charitable activities					
Quality and standards	3,403	-	1,092	4,495	3,498
Career and professional development	5,495	-	2,221	7,716	7,055
Influence and engagement	1,274	-	1,756	3,030	3,022
Training and assessing surgeons	8,045	-	1,519	9,564	8,312
Promoting public and professional engagement	1,847	-	1,516	3,363	3,232
Research	585	2,023	211	2,819	2,554
Faculty of Dental Surgery	1,694	-	802	2,496	2,417
Total	**22,343**	**2,023**	**9,117**	**33,483**	**30,090**
Other expenditure					
Other expenditure	3,954	-	-	3,954	5,088
FRS 102 Pension costs	(3,101)	-	-	(3,101)	(105)
Other expenditure	**853**	**-**	**-**	**853**	**4,983**
Expenditure Total	**23,775**	**2,023**	**9,423**	**35,221**	**36,109**

Governance costs include fees payable to the College's auditors in respect of audit and non-audit services.

Auditors' remuneration	2024 £000	2023 £000
Included in governance costs are:		
Audit fees – The Royal College of Surgeons of England	84	62
Audit fees – Hunter Trading Ltd	4	4
Fees for non-audit fees	19	7
Total	**107**	**73**

7. Research grants

	2024 £000	2023 £000
Research grants expenditure		
Research fellowships	2,018	1,640
Travelling fellowships & other projects	5	7
Surgical Trial Units	264	365
Administration	532	542
Total Expenditure	**2,819**	**2,554**
Research fellowships		
Liabilities at the start of the year	(1,830)	(1,786)
Paid in the year	1,622	1,596
Liabilities at the end of the year	2,226	1,830
Charge for the year	**2,018**	**1,640**
Awards		
Research awards	68	80
Travel awards	8	8
Total	**76**	**88**
Research awards include:		
1 year fellowships	17	27
2 year fellowships	3	2
3 year fellowships	1	1
Dental fellowships	12	10
Intercalated Bachelor of Science awards	9	21

Grants totalling £515k were awarded to individuals at institutions with which members of Council are connected (2023: £663k). These members of Council did not participate in the decisions to award the respective grants.

Surgical research fellowships awarded by the College are only eligible to surgical trainees who are members of the College (MRCS) and who have entered their period of specialty training (specialist registrars). The overriding objective of the surgical research projects is to improve care of surgical patients and the projects are based upon the principles of translational research; that is, research examining a specific clinical problem. Details of the research fellowships awarded and other research projects undertaken are available in the annual research report published by the research department.

8. Employee information

	2024	2023
	£000	£000
Salaries and wages	10,894	10,003
National Insurance costs	1,173	1,117
Apprenticeship levy	39	-
Pension costs	1,730	1,639
FRS 102 Pension	(3,101)	(104)
Total	**10,735**	**12,655**

Redundancy and termination payments arising from restructuring activities during the year totalled £48k (2023: £10k).

No amounts were outstanding at year end (2023: Nil).

The number of staff employed by the College as at 30 June 2024 was as follows:

	2024	2023
Clinical Effectiveness Unit	35	22
Dental & Surgical Examinations	35	30
Fundraising	3	5
Executive Office	5	8
Faculty of Dental Surgery	10	10
Global Affairs	5	4
Joint Committee on Surgical Training	25	25
Learning	27	25
Library and Museum	27	26
Membership and Engagement	42	34
Transform	5	4
Quality Improvement	11	12
Research	6	5
Support Services	41	36
Total	**277**	**246**
The average number of staff employed during the year was 262 (2023: 239)		
At 30 June the number of employees whose emoluments exceeded £60k was:		
£60,000 - £70,000	17	20
£70,001 - £80,000	4	7
£80,001 - £90,000	4	-
£90,001 - £100,000	1	2
£100,001 - £110,000	2	1
£110,001 - £120,000	1	2
£120,001 – £130,000	1	1
£150,001 - £160,000	1	1

RCS England key management personnel are set out on page 38 of the Trustees' Report. Total employee benefits received in the year by the College's key management personnel amounted to £1.57m (2023: £1.74m).

No trustees received any remuneration for services as members of the Board of Trustees in the current and preceding years.

9. Fixed assets (Group and Charity)

Tangible Fixed Assets	Freehold Land	Freehold Property	Fixture and Fittings	Furniture	Plant and Machinery	Infra-structure Equipment	Computer and Other Equipment	Assets in course of construction	2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost at 1 July 2023	1,945	71,870	17,774	1,382	12,620	1,819	783	252	108,445
Additions during the year	-	-	-	-	-	0	-	510	510
Transfers	-	-	62	-	0	0	195	(241)	16
Transfers to investment property	-	(4,281)	-	-	-	-	-	-	(4,281)
Assets written off during the year	-	-	-	-	-	-	-	(12)	(12)
At 30 June 2024	**1,945**	**67,589**	**17,836**	**1,382**	**12,620**	**1,819**	**978**	**509**	**104,678**
Depreciation at 1 July 2023	0	(2,052)	(1,151)	(519)	(1,075)	(355)	(617)	0	(5,769)
Charge for the year	0	(952)	(767)	(240)	(512)	(186)	(129)	-	(2,786)
At 30 June 2024	**0**	**(3,004)**	**(1,918)**	**(759)**	**(1,587)**	**(541)**	**(746)**	**0**	**(8,555)**
Net Book Value 2023	1,945	69,818	16,623	863	11,545	1,464	166	252	102,676
Net Book Value 2024	**1,945**	**64,585**	**15,918**	**623**	**11,033**	**1,278**	**232**	**509**	**96,123**

Intangible Fixed Assets	Computer Software	Assets in course of construction	2024
	£000	£000	£000
Cost at 1 July 2023	3,046	936	3,982
Additions during the year	-	975	975
Transfers	240	(256)	(16)
Assets written off during the year	-	(67)	(67)
At 30 June 2024	**3,046**	**936**	**3,982**
Depreciation at 1 July 2023	(2,698)	-	(2,698)
Charge for the year	(170)	-	(170)
At 30 June 2024	**(2,868)**	**-**	**(2,868)**
Net Book Value 2023	348	936	1,284
Net Book Value 2024	**418**	**1,588**	**2,006**

Completion of construction works in respect of the College's freehold property located at 38–43 Lincoln's Inn Fields took effect on 30 April 2021 and the newly redeveloped property was brought into operational use from this date. The total development cost of £102.3m was allocated across the relevant fixed asset categories of freehold property, plant and machinery, fixtures and fittings, and infrastructure equipment. The asset costs are being depreciated on a straight-line basis over a range of component periods and with a maximum period of 80 years for certain freehold property components. The building assets are depreciating currently at an annual rate of approximately £2.4m. All components except freehold property will have been fully depreciated after 25 years.
Investment in the College's digital transformation agenda, including the build of a new CRM system and enterprise platform, is held under intangible assets in the course of construction (£1.59m).

The College has adopted the cost model as the method of subsequent measurement for the freehold property at 38–43 Lincoln's Inn Fields. The College intends to use the second floor office area for long-term rental yields and capital appreciation and is not therefore available for its operational use. FRS 102 requires that this office area is defined as investment property and after its initial recognition at cost is to be measured at fair value. The cost of the investment property at £4.2m was determined on an apportionment basis from the total cost of the redeveloped freehold property using the net internal area of the leased second floor as a proportion of the total gross internal area. This cost was transferred from tangible fixed assets to fixed asset investments in 2020–21. During the current year the decision was taken to also transfer the third floor to investment property status (see Investments note 11). The cost of this floor was determined at £4.3m on the same basis as previously.

A valuation of the freehold property as at 30 June 2024 was carried out by Gerald Eve, the College's real estate management agency, with an inspection taking place on 19 June 2024. The property is valued at £82.4m, a decrease of 8.5% or £7.7m from the 2023 valuation. The valuers have confirmed that there have been no material changes to the property or its immediate locality between the inspection date and the valuation date of 30 June 2024.

The College exercised the option to tax land (and building) at 38–43 Lincoln's Inn Fields with effect from 1 March 2021.

The sale of a 155-year lease in October 2017 over the College's Nuffield property gave rise to a disposal of land and building. No value was attached to the reversionary interest in the lease because management considers a valuation to be problematic given the length of the lease and unlikely to be of material value. The residual freehold land at 38–43 Lincoln's Inn Fields is stated at the historic cost of £1.95m.

10. Heritage assets

Heritage assets can be acquired by gift, bequest, exchange or purchase on the open market.

The College's heritage assets comprise the designated collections held by the College library, museum and archives. The museum and library closed in June 2017 ahead of the redevelopment of the estate and the collections are now stored in appropriate secure facilities and with partner organisations across a number of locations for the period of the redevelopment.

Most archive and library material can be accessed via a research service based at the London Metropolitan Archives and research access to the museum collections is available on request. All enquiry and online services continue to be available and are detailed on the College website. Preservation and conservation costs continue to be incurred. No heritage assets were capitalised during the year as none exceeded the capitalisation threshold of £1k.

The Hunterian Museum represents a world-class surgical heritage resource that seeks to tell the story of surgeons and surgery over the past three centuries. The main collection is the Hunterian Collection, which comprises approximately 3,700 anatomical specimens and artefacts. These were collected by John Hunter in the 1700s and presented to the College in 1799.

The College Museum Collection holds approximately 3,500 objects associated with surgical and dental research and training since 1800, including anatomy and pathology specimens which are more than 100 years old. The Historical Surgical Instruments Collection comprises approximately 9,000 surgical instruments.

The special collections cover fine and decorative art including portraits and furniture with more than 5,300 objects in this collection.

The library collections became a designated collection under the Designation Scheme of Arts Council England in 2013. They comprise an estimated 115,000 books and pamphlets dating from the 15th century onwards as well as an important collection of rare journals dating from the 17th century onwards.

The 20th century collections focus on surgery, dentistry, anatomy, physiology and pathology, whereas the subjects in the earlier collections reflect the evolution of medicine and surgery. Natural history and other scientific subjects are represented in the library collections, reflecting the work of 19th century College museum curators responsible for the Hunterian Museum. Further information on all of these collections is available on the College website at rcseng.ac.uk.

11. Investments

	Portfolio	Property	Total 2024	Total 2023
	£000	£000	£000	£000
Investments				
Quoted securities at market value	63,534	-	63,534	57,657
Deposits with Investment Managers	4,829	-	4,829	4,829
Investment properties at fair value	-	17,000	17,000	10,420
Fair value at 30 June 2024	**68,363**	**17,000**	**85,363**	**72,906**
Movements in the year:				
Fair value at 1 July	62,486	10,420	72,906	74,898
Additions	760	25	785	674
Disposals	(2,826)	-	(2,826)	(2,777)
Transfers from fixed assets	-	4,281	4,281	-
Net gain/(loss) during the year	7,943	2,274	10,217	111
Fair value at 30 June 2024	**68,363**	**17,000**	**85,363**	**72,906**
Cost at 30 June 2024	**60,763**	**4,537**	**65,300**	**64,864**
Portfolio UK investments	2,145	-	2,145	4,829
Portfolio overseas investments	66,218	-	66,218	57,657
	68,363	**-**	**68,363**	**62,486**

	Cost	Fair Value 2023	Additions 2024	Fair Value 2024	SOFA Gain/(Loss)
Investment Properties	£000	£000	£000	£000	£000
49-50a Lincoln's Inn Fields	336	2,630	25	2,450	(205)
38-43 Lincoln's Inn Fields (Leased Floor 2)	4,201	7,790	0	7,250	(540)
38-43 Lincoln's Inn Fields (Leased Floor 3)	0	0	4,281	7,300	3,019
Investment Property	**4,537**	**10,420**	**4,306**	**17,000**	**2,274**

The second floor of the freehold property, which is intended to be leased to other organisations and is not therefore available for operational use, is held as an investment property. The investment property had a cost of £4.2m on transfer from tangible fixed assets in 2021. A valuation of £7.25m exclusive of VAT has been attributed to the investment property as part of the valuation of the whole building carried out by Gerald Eve in June 2024 resulting in a revised cumulative net unrealised gain of £3.6m and a decrease of £540k on 2023 (2023: £3.6m).

During 2024 the third floor of the freehold property was also transferred to be held as an investment property, with an original cost of £4.3m on transfer. A valuation of £7.3m exclusive of VAT has been attributed to the investment property as part of the valuation of the whole building carried out by Gerald Eve in June 2024 resulting in a net unrealised gain of £3.0m.

A discount of 1.25% (2023: 1%) has been applied to the rental yield assumptions to reflect the 'strip' nature of the investment property.

A valuation of the College's investment property at 49–50a Lincoln's Inn Fields at 30 June 2024 was also carried out by Gerald Eve in June 2024. This resulted in a reduction of the carrying value of these assets decreasing by £205k, reflecting both the relative condition of the property and also the decreasing income security ahead of the main tenant break date in February 2025.

The valuers have confirmed that there have been no material changes to the properties or their immediate locality between the inspection date and the valuation date of 30 June 2024. The valuations are undertaken by an independent valuer as defined by the Valuation Standards and assurance is obtained that the individuals carrying out these valuations have the appropriate knowledge, skills and experience to undertake the valuation competently.

12. Debtors

	2024		2023	
	Group	RCS	Group	RCS
	£000	£000	£000	£000
Trade debtors	4,456	3,726	2,772	2,772
Membership debtor	1,577	1,577	1,638	1,638
Accrued income	2,917	2,079	3,365	3,365
Prepayments	662	662	677	677
Other debtors including taxation	580	580	409	409
Amounts due from group undertakings	-	1,750	-	619
Total	**10,192**	**10,374**	**8,861**	**9,480**

13. Creditors

	2024		2023	
	Group	RCS	Group	RCS
	£000	£000	£000	£000
13a. Amounts falling due within one year				
Accruals	3,788	3,788	4,252	4,252
Membership income in advance	3,621	3,621	3,456	3,456
Deferred income	4,562	4,562	4,729	4,729
Research grants payable	2,226	2,226	1,830	1,830
Trade creditors	1,425	1,425	1,014	1,014
Other creditors	469	469	291	291
Taxation and social security	308	308	282	282
Amounts owed to group undertakings	**-**	**-**	**-**	**619**
Total	**16,399**	**16,399**	**15,854**	**16,473**
13b. Amounts falling due after more than one year				
Other creditors and accruals	43	43	-	-
Long-term loan	40,000	40,000	40,000	40,000
Defined benefit pension liability	-	-	3,101	3,101
Total	**40,043**	**40,043**	**43,101**	**43,101**
13c. Analysis of deferred income				
Brought forward at 1 July	4,729	4,729	3,971	3,971
Deferred during the year	4,562	4,562	4,729	4,729
Released as income during the year	(4,729)	(4,729)	(3,971)	(3,971)
Carried forward at 30 June 2024	**4,562**	**4,562**	**4,729**	**4,729**

Deferred Income comprises examination fees, course fees and accreditation fees.

Long-term loan

In the autumn of 2020, the College secured long-term financing through a private placement issue with Pension Insurance Corporation Group Ltd, a UK-based insurance company. The issue provided £40m of unsecured funding at an annual coupon rate of 2.22% with a maturity date of 30 years (due 3 November 2050) and weighted average life of 20.05 years. This funding was settled on 3 November 2020. The funds have been used to fund the redevelopment costs of the freehold property and the works to build and fit out the Hunterian Museum.

Interest is payable semi-annually on 3 May and 3 November each year and commenced on 3 May 2021. The principal sum will be repayable semi-annually on the 3 May and 3 November each year commencing 3 May 2026 until 3 May 2050 with a final sum of £8.15m repayable on 3 November 2050. The loan carries one financial covenant that must be tested on an annual basis. The covenant requires that the ratio of net debt of the Group to the net assets of the Group at 30 June shall not exceed 50%.

14. Financial instruments

	2024	2023
	£000	£000
Financial assets measured at amortised cost	17,402	16,396
Financial assets measured at fair value	68,363	62,486
Financial liabilities measured at amortised cost	(47,248)	(46,863)

15. Hunter Trading Limited

	2024	2023
	£000	£000
Profit & loss account		
Income	938	656
Expenditure	115	37
Profit before tax	**823**	**619**
Profits gifted to RCS	(823)	(619)
Result for the year	**-**	**-**

	2024	2023
	£000	£000
Balance sheet		
Bank	158	-
Stock	24	-
Debtors	1,568	619
Total current assets	1,750	619
Creditors: due within one year	(1,750)	(619)
Net Assets	**-**	**-**

The College holds the entire issued £1 share capital of Hunter Trading Limited.

Conference events are outsourced to Searcys, a long-established, independent and highly respected catering company with commission under a profit share arrangement being received by Hunter Trading Limited. The company has delivered another very strong trading performance that has exceeded expectations for this year. The café posted a small surplus of £1.6k which is retained by Searcys (2023: deficit of £7k which was borne fully by the College).

16. Unrestricted funds

	2023	Net Surplus/ (Deficit)	Investment Gains/Losses	SOFA Allocation	Fixed Asset Allocation	2024
	£000	£000	£000	£000	£000	£000
Fixed assets reserve net of LT loan	68,161	-	-	(3,035)	1,485	66,611
Other designated funds	642	-	-	-	(488)	154
Property revaluation reserve	2,959	-	2,274	-	-	5,233
Pension reserve	(3,101)	-	-	3,101	-	-
General funds	21,849	1,095	2,854	(66)	(997)	24,735
Total	**90,510**	**1,095**	**5,128**	**-**	**-**	**96,733**

Unrestricted reserves have increased overall by 7% or just over £6m in the year. This is represented by a net income position of £1.1m for the year and a net unrealised gains of £5.1m on unrestricted investments.

The investment loss comprises a net unrealised gain of £2.85m in respect of the unrestricted investments portfolio and a net unrealised gain of £2.27m in respect of investment properties. The investment property loss comprises a loss of £540k in respect of the leased second floor, a gain of £3.0m in respect of the third floor and a loss of £205k in respect of 49–50a Lincoln's Inn Fields. A property revaluation reserve is set up to hold investment gains or losses arising in respect of the investment properties.

General funds have risen 2% or £2.9m to £24.7m. The £40m loan to finance the property redevelopment is allocated to the fixed asset reserve, thereby reducing the amount of the College's funds that are required to be invested in its fixed assets. In-year capital additions transferred to the fixed assets reserve totalled £1.5m.

General funds are broadly represented by our unrestricted investment portfolio, which is providing 93% cover (2023: 96%) at a value of £23.0m as at 30 June 2024 (2023: £21.9m).

The trustees designated £1.5m in 2021 (Other designated funds) to support the next major phase of the digital transformation agenda. A total of £1.35m had been expended by the end of the year and transferred to the fixed assets reserve leaving a closing fund balance of £154k.

17. Restricted funds

	2023	Income	Expenditure	Gains/(Losses)	2024
	£000	£000	£000	£000	£000
Trust Funds	1,978	468	(374)	252	2,324
Other restricted funds	3,891	5,095	(4,914)	-	4,072
Total Restricted Funds	**5,869**	**5,563**	**(5,288)**	**252**	**6,396**
RCS has 22 trust funds and their position is set out below:					
Research Trust Funds:					
Sir Alan Parks Research Fund	186	2	(2)	23	209
Saven Research & Development Programme	377	5	(96)	52	338
Surgical Research Fund	185	12	(77)	26	146
Mr Sorab J Lam Legacy	137	2	(59)	17	97
Ethicon Travelling Fellowship	189	2	(7)	23	207
Modi Fund	140	2	(2)	17	157
Blond McIndoe (Joint Fund with Education)	97	1	(40)	12	70
The Arthritis Research Trust	82	426	(10)	10	508
Roberta Swan Legacy	8	1	(8)	9	10
Preiskel Fund	73	3	(4)	7	79
RCSE Fellows Fellowship Fund	78	6	-	1	85
Miss Carol Rummey Legacy	54	1	(1)	7	61
Gunnar Nilsson Cancer Treatment Trust Fund	16	1	(1)	8	24
Curry Legacy Damage/Pain	17	-	-	2	19
H Speight Discretionary Trust	17	-	-	2	19
Phyllis A George Legacy	8	-	-	-	8
Cutner Legacy	7	-	-	-	7
Rex & Jean Lawrie O/S Fund	5	-	-	-	5
Ethicon Research Fund	1	-	-	-	1
Shrimpton Fund	1	-	-	-	1
Education & Training Trust Funds:					
E&T Haddock Legacy	99	1	(65)	12	47
Faculty of Dental Surgery Funds:					
J W Mclean Fund	201	3	(2)	24	226
Total Trust Funds	**1,978**	**468**	**(374)**	**252**	**2,324**
Grants and donations are summarised as follows:					
Other restricted funds:					
National Cancer Audit Collaborating Centre	1,159	2,917	(2,197)	-	1,879
Transform Fundraising	403	-	-	-	403
National Lung Cancer Audit	350	74	(131)	-	293
eDEN (elearning for dentistry)	271	12	(1)	-	282
Expert Advisory Network	148	28	(21)	-	155
FDS-NAC	136	16	(17)	-	135
Other Balances less than £100,000	1,424	2,048	(2,547)	-	925
Total Other Funds	**3,891**	**5,095**	**(4,914)**	**-**	**4,072**
Total Restricted Funds	**5,869**	**5,563**	**(5,288)**	**252**	**6,396**

18. Endowed funds

	Unapplied Total Return	Permanent Capital	Total Endowment
	£000	£000	£000
Endowed Funds at 1 July 2023	23,704	14,951	38,655
Investment income	510	-	510
Investment gains	4,837	-	4,837
Total income and gains	**5,347**	**-**	**5,347**
Application of total return	(1,672)	-	(1,672)
Investment management fees	(295)	-	(295)
Total application and fees	**(1,967)**	**-**	**(1,967)**
Net movement in year	**3,380**	**-**	**3,380**
Total Endowed Funds at 30 June 2024	**27,084**	**14,951**	**42,035**

RCS England has 22 endowed funds and the 2022–23 position is set out below by fund.

Fund Name	Unapplied Total Return 2023 £000	Investment Income £000	Investment Gains £000	Applied Total Return 2024 £000	Investment Fees £000	Unapplied Total Return 2024 £000	Permanent Capital £000	2024 Total £000
RCSE Research Fund	5,110	118	1,116	(414)	(68)	5,862	3,784	9,646
RCSE Education Fund	4,289	88	837	(383)	(51)	4,780	2,262	7,042
RCSE Cancer Research Fund	3,239	66	631	(231)	(39)	3,666	1,756	5,422
Presidents Finch Fund	1,369	45	427	(24)	(26)	1,791	2,108	3,899
Dental Science Research Fund	1,533	34	322	(215)	(20)	1,654	1,016	2,670
Rank Chair Physics in Surgery	1,415	31	299	(129)	(18)	1,598	955	2,553
RCSE Library Fund	1,306	28	262	(97)	(16)	1,483	833	2,316
RCSE Biochemical Research Fund	763	15	144	(34)	(9)	879	374	1,253
Witt Fund	646	11	101	(7)	(6)	745	182	927
Macrae-Webb Johnson Fund	425	11	104	(50)	(6)	484	425	909
Moser Trust (FDS)	559	9	90	(3)	(5)	650	173	823
HS Morton Travelling Fellowship	440	8	78	(27)	(5)	494	200	694
Groves Bequest for Museum	419	7	71	(22)	(5)	470	161	631
George Qvist for Hunterian	349	7	68	(22)	(4)	398	209	607
John Kinross Fund	433	7	66	(2)	(4)	500	104	604
RCSE Prize Fund	379	6	54	(2)	(3)	434	61	495
Sims Commonwealth Travelling Fell.	258	5	44	(1)	(3)	303	106	409
Commemoration Fund (FDS)	212	4	34	(1)	(2)	247	66	313
RCSE Scholarship Fund	182	3	28	(1)	(2)	210	51	261
Rishworth Fund for Annals	145	3	24	(1)	(1)	170	50	220
Darlow Fellowship Fund	123	2	23	(2)	(1)	145	67	212
RCSE Museum Fund	110	2	14	(4)	(1)	121	8	129
Total Endowed Funds	**23,704**	**510**	**4,837**	**(1,672)**	**(295)**	**27,084**	**14,951**	**42,035**

8 of the 22 funds have closing balances greater than £1m, amounting to £34.8m of the £42.0m of funds at 30 June 2024. A brief description of their purposes is provided below.

Fund name	Purpose of fund
RCSE Research Fund	To promote, carry on and fund study and research into surgery and related subjects and to publish useful results of such study and research
RCSE Education Fund	To educate surgeons, medical practitioners and the general public in the art, science and practice of surgery and related subjects and to further instruction and training in surgery
RCSE Cancer Research Fund	To promote, carry on and fund study and research into cancer and its preventative treatment and care and to publish useful results of such study and research
Presidents Finch Fund	Income to be applied for charitable purposes which will be of service for the welfare and advancement of the Science and Art of Surgery
Dental Science Research Fund	For the promotion of research into improving dental treatment and dental health
Rank Chair Physics in Surgery	To support research work
RCSE Library Fund	To promote, carry on, maintain and fund the establishment of libraries of the RCS for the furtherance of study and research into surgery and related objects
RCSE Biochemical Research Fund	To further biochemical research by such means as the Trustees shall from time to time see fit

The remaining 14 funds with balances of less than £1m, and amounting to £7.2m, are summarised under the following categories:

Research Funds	Faculty of Dental Surgery Funds	Museum Funds	Travelling Fellowship (F/S) Funds	Other Funds
Darlow Fellowship Fund	Commemoration Fund	Macrae-Webb Johnson Fund	HS Morton Travelling F/S	Rishworth Fund for Annals
RCSE Prize Fund	Moser Trust	Groves Bequest for Museum	Sims Commonwealth Travel F/S	John Kinross Fund
RCSE Scholarship Fund		George Qvist for Hunterian		
Witt Fund		RCSE Museum Fund		

19. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2024
As at 30 June 2024	**£000**	**£000**	**£000**	**£000**
Tangible fixed assets	96,123	-	-	96,123
Intangible fixed assets	2,000	6	-	2,006
Investments	39,996	2,328	43,039	85,363
Current assets	12,466	5,630	18	18,114
Current liabilities	(13,809)	(1,568)	(1,022)	(16,399)
Liabilities after 1 year	(40,043)	-	-	(40,043)
Total Funds	**96,733**	**6,396**	**42,035**	**145,164**

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total 2023
As at 30 June 2023	**£000**	**£000**	**£000**	**£000**
Tangible fixed assets	102,676	-	-	102,676
Intangible fixed assets	1,280	4	-	1,284
Investments	31,364	2,061	39,481	72,906
Current assets	11,980	5,064	79	17,123
Current liabilities	(13,689)	(1,260)	(905)	(15,854)
Liabilities after 1 year	(43,101)	-	-	(43,101)
Total Funds	**90,510**	**5,869**	**38,655**	**135,034**

20. Pension liabilities and charges

	2024	2023
	£000	£000
USS Defined pension liability	**-**	**3,101**
Liability greater than 1 year	-	3,101
Summary of pension scheme charges to Statement of Financial activities:		
USS	(2,316)	744
SAUL	797	659
Standard Life	108	90
NHS	40	42
Total	**(1,371)**	**1,535**
Charges in respect of the USS scheme to Statement of Financial activities:		
Employer contributions	785	849
Contributions allocated to deficit provision	-	(244)
Change in contributions from past expectations	(2,956)	20
Total pension contribution cost	(2,171)	625
Interest payable	(145)	119
Total pension charge	(2,316)	744
Scheme employee members	Nos.	Nos.
USS	80	78
SAUL	116	103
Standard Life	40	32
NHS	10	4
Total employees in a pension scheme	246	217

The College participates in two multi-employer defined benefit pension schemes, USS and SAUL. Both schemes carry out a formal actuarial valuation every three years as required by the Pensions Act 2004. The latest available complete actuarial valuations were carried out with an effective date of 31 March 2023. The SAUL scheme carries out informal reviews of the funding position between formal valuations, reflecting changes in market conditions, cash flow information and new accrual of benefits.

According to the latest valuations, both the USS and SAUL schemes are in technical surplus and there is no liability for the College to recognise.

The USS 2023 valuation and funding proposals were filed with The Pensions Regulator in December 2023.

Under the 2023 valuation, the scheme contribution rates were set at 31.4% of salaries (employer 21.6%, employee 9.8%) to 31 December 2023 and 20.6% of salaries (employer 14.5%, employee 6.1%) from 1 January 2024 with no deficit contribution payment required.

The SAUL 2023 valuation confirmed that the scheme was 105% funded on its Technical Provisions basis at 31 March 2023 with its assets valued at £3,092m. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required and there is no defined benefit liability to be recognised.

The 31 March 2024 update showed a further increase in the funding level to 109%. As a result, the trustees decided to reduce the contribution rate to 19% from 1 September 2024 (previously 21%).

Supplementary scheme disclosures

Since the College cannot identify its share of the assets and liabilities of the USS and SAUL schemes, the following disclosures have been provided by the respective pension schemes to reflect those relevant for the schemes as a whole.

USS

The 2023 valuation was the seventh valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective that is to have sufficient and appropriate assets to cover their technical provisions.

Scheme summary position at 31 March	2024 2023 Valuation	2023 2020 Valuation
	£bn	£bn
Scheme assets	73.1	66.5
Scheme liabilities	65.7	80.6
FRS 102 Scheme surplus/(deficit)	7.4	(14.1)
FRS 102 Funding level	111%	83%

SAUL

SAUL is a centralised defined benefit scheme within the United Kingdom for the non-academic staff of over 50 colleges and institutions with links to higher education.

The SAUL Final Salary Section closed at 31 March 2016 and from 1 April 2016 all members now build up pension benefits on a CARE basis.

The College is not expected to be liable to SAUL for any other current participating employer's obligations under the rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the Technical Provisions). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met. The Technical Provisions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

Scheme summary position at 31 March	2024 2024 Update	2023 2023 Valuation
	£m	£m
Scheme assets	3,058	3,092
Scheme liabilities	2,815	2,958
FRS 102 Scheme surplus/(deficit)	243	134
FRS 102 Funding level	109%	105%

Other pension schemes

The College pays a contribution rate of 9% into the Standard Life defined contribution scheme and a contribution rate of 16.64% (16.18% to March 2024) into the NHS Pension Scheme. No contributions in respect of these schemes were outstanding at the balance sheet date.

21. Transactions with trustees

No trustees receive any fees or honoraria for their services. Trustees may incur expenses in the carrying out of their duties; for example, travel, subsistence and accommodation costs. These expenses may be reimbursed to the trustees or paid directly by the College to third parties on their behalf. Expenses totalling £48k were incurred in respect of 11 trustees during the 2023–24 year (2023: £43k in respect of eight trustees).

The President of the College received the following benefits during the reporting period in order to carry out his trustee duties:

- provision of rental accommodation amounting to £61k (2023: £79k);
- provision of broadband amounting to £6k (2023: £6k);
- settlement of tax arising on the above benefits amounting to £59k (2023: £71k).

These benefits were approved by the lay trustees of the Board under the authority of the College's ordinances.

There were no donations received from trustees during the current period (2023: £1k).

There were no related party transactions in the period.

22. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £1.8m in respect of software build and design contracts delivering the IT transformation programme (2023: £0.9m).

23. Operating leases

	2024	2023
	Office Equipment	Office Equipment
	£000	£000
Payments due:		
Within one year	13	13
Between one and two years	9	13
Between two and five years	-	9
Total	**22**	**35**

These represent the future minimum payments that the College is committed to make under operating leases.

24. Restricted funds 2023 for comparison

	2022	Income	Expenditure	Gains/(Losses)	Transfers	2023
	£000	£000	£000	£000	£000	£000
Trust Funds	2,207	319	(591)	43	-	1,978
Other restricted funds	2,541	4,911	(3,561)	-	-	3,891
Total Restricted Funds	**4,748**	**5,230**	**(4,152)**	**43**	**-**	**5,869**
RCS has 26 trust funds and their position is set out below:						
Research Trust Funds:						
Sir Alan Parks Research Fund	182	2	(1)	3	-	186
Saven Research & Development Programme	241	253	(122)	5	-	377
Surgical Research Fund	237	12	(68)	4	-	185
Mr Sorab J Lam Legacy	215	3	(85)	4	-	137
Ethicon Travelling Fellowship	191	3	(9)	4	-	189
Moondance Foundation	151	2	(156)	3	-	-
Modi Fund	137	1	(1)	3	-	140
Blond McIndoe (Joint Fund with Education)	95	1	(1)	2	-	97
The Arthritis Research Trust	78	1	-	3	-	82
Roberta Swan Legacy	75	1	(69)	1	-	8
Preiskel Fund	72	3	(4)	2	-	73
RCSE Fellows Fellowship Fund	53	25	-	-	-	78
Miss Carol Rummey Legacy	53	1	(1)	1	-	54
Gunnar Nilsson Cancer Treatment Trust Fund	53	8	(47)	2	-	16
Dunhill Medical Trust	24	-	(24)	-	-	-
Curry Legacy Damage/Pain	17	-	-	-	-	17
H Speight Discretionary Trust	17	-	-	-	-	17
Phyllis A George Legacy	8	-	-	-	-	8
Cutner Legacy	7	-	-	-	-	7
Rex & Jean Lawrie O/S Fund	5	-	-	-	-	5
Ethicon Research Fund	1	-	-	-	-	1
Shrimpton Fund	1	-	-	-	-	1
Education & Training Trust Funds:						
E&T Haddock Legacy	97	1	(1)	2	-	99
Faculty of Dental Surgery Funds:						
J W Mclean Fund	197	2	(2)	4	-	201
Total Trust Funds	**2,207**	**319**	**(591)**	**43**	**-**	**1,978**
Other restricted funds:						
National Cancer Audit Collaborating Centre	-	1,399	(240)	-	-	1,159
Transform Fundraising	554	55	(206)	-	-	403
National Lung Cancer Audit	118	294	(62)	-	-	350
eDEN (elearning for dentistry)	249	20	2	-	-	271
National Vascular Registry	229	316	(289)	-	-	256
Robotics	250	-	-	-	-	250
Expert Advisory Network	102	55	(9)	-	-	148
National Prostate Cancer Audit	96	298	(251)	-	-	143
FDS-NAC	148	10	(22)	-	-	136
Breast Cancer Project	150	74	(89)	-	-	135
NIHR Clinical Research	-	120	(3)	-	-	117
Other Balances less than £100,000	645	2,270	(2,392)	-	-	523
Total Other Funds	**2,541**	**4,911**	**(3,561)**	**-**	**-**	**3,891**
Total Restricted Funds	**4,748**	**5,230**	**(4,152)**	**43**	**-**	**5,869**

25. Endowed funds 2023 for comparison

	Unapplied Total Return	Permanent Capital	Total Endowment
	£000	£000	£000
Endowed Funds at 1 July 2022	24,223	14,951	39,174
Investment income	457	-	457
Legacy income	-		-
Investment gains/(losses)	746	-	746
Total income and gains	**1,203**	**-**	**1,203**
Application of total return	(1,488)	-	(1,488)
Investment management fees	(234)	-	(234)
Total application and fees	**(1,722)**	**-**	**(1,722)**
Net movement in year	**(519)**	**-**	**(519)**
Total Endowed Funds at 30 June 2023	**23,704**	**14,951**	**38,655**

RCS England has 22 endowed funds and the 2022–23 position is set out below by fund.

Fund Name	Unapplied Total Return 2022 £000	Legacy income £000	Investment Income £000	Investment Gains/ (Losses) £000	Applied Total Return 2023 £000	Investment Fees £000	Transfer of Funds £000	Unapplied Total Return 2023 £000	Permanent Capital £000	2023 Total £000
RCSE Research Fund	5,244	-	106	172	(358)	(54)	-	5,110	3,784	8,894
RCSE Education Fund	4,505	-	79	130	(384)	(41)	-	4,289	2,262	6,551
RCSE Cancer Research Fund	3,327	-	59	96	(213)	(30)	-	3,239	1,756	4,995
Presidents Finch Fund	1,357	-	40	65	(73)	(20)	-	1,369	2,108	3,477
Dental Science Research Fund	1,571	-	31	50	(103)	(16)	-	1,533	1,016	2,549
Rank Chair Physics in Surgery	1,462	-	29	47	(108)	(15)	-	1,415	955	2,370
RCSE Library Fund	1,350	-	25	41	(97)	(13)	-	1,306	833	2,139
RCSE Biochemical Research Fund	775	-	14	22	(41)	(7)	-	763	374	1,137
Macrae-Webb Johnson Fund	443	-	10	17	(40)	(5)	-	425	425	850
Witt Fund	630	-	9	15	(3)	(5)	-	646	182	828
Moser Trust (FDS)	544	-	8	13	(2)	(4)	-	559	173	732
HS Morton Travelling Fellowship	432	-	7	12	(7)	(4)	-	440	200	640
Groves Bequest for Museum	426	-	7	11	(22)	(3)	-	419	161	580
George Qvist for Hunterian	356	-	7	11	(22)	(3)	-	349	209	558
John Kinross Fund	422	-	6	10	(2)	(3)	-	433	104	537
RCSE Prize Fund	371	-	5	8	(2)	(3)	-	379	61	440
Sims Commonwealth Travel Fellowship	250	-	4	7	(1)	(2)	-	258	106	364
Commemoration Fund (FDS)	207	-	3	5	(1)	(2)	-	212	66	278
RCSE Scholarship Fund	177	-	3	4	(1)	(1)	-	182	51	233
Rishworth Fund for Annals	141	-	2	4	(1)	(1)	-	145	50	195
Darlow Fellowship Fund	121	-	2	4	(3)	(1)	-	123	67	190
RCSE Museum Fund	112	-	1	2	(4)	(1)	-	110	8	118
Total Endowed Funds	**24,223**	**-**	**457**	**746**	**(1,488)**	**(234)**	**-**	**23,704**	**14,951**	**38,655**

26. Statement of financial activities for the year ended 30 June 2023 for comparison

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Totals £000	2022 £000
Income from						
Grants, donations and legacies	5a	976	4,964	-	5,940	5,314
Charitable activities	5b	24,739	185	-	24,924	21,715
Trading activities	5c	1,046	55	-	1,101	363
Investment Income	5d	1,097	26	457	1,580	692
Other income	5e	-	-	-	-	-
Total Income		**27,858**	**5,230**	**457**	**33,545**	**28,084**
Expenditure On						
Raising funds	6a	583	219	234	1,036	1,021
Charitable activities	6b	24,669	5,421	-	30,090	26,867
Other expenditure	6c	4,983	-	-	4,983	6,558
Total Expenditure		**30,235**	**5,640**	**234**	**36,109**	**34,446**
Net income/(expenditure) before investment gains/(losses)		**(2,377)**	**(410)**	**223**	**(2,564)**	**(6,362)**
Net gains/(losses) on investments	11	(678)	43	746	111	(1,242)
Net income/(expenditure)		**(3,055)**	**(367)**	**969**	**(2,453)**	**(7,604)**
Application of total return	18	-	1,488	(1,488)	-	-
Net movement in funds for the year		**(3,055)**	**1,121**	**(519)**	**(2,453)**	**(7,604)**
Balances brought forward at 1 July	19	93,565	4,748	39,174	137,487	145,091
Balances carried forward at 30 June 2023	**19**	**90,510**	**5,869**	**38,655**	**135,034**	**137,487**

Reference and administrative details

Principal advisors

Bankers

C Hoare & Co	37 Fleet Street, London EC4P 4DQ
Barclays Bank PLC	1 Churchill Place, London E14 5HP

External auditor

Crowe U.K. LLP	55 Ludgate Hill, London EC4M 7JW

Internal auditor

Mazars LLP	Tower Bridge House, St Katharine's Way, London E1W 1DD

Solicitors

BDB Pitmans LLP	One Bartholomew Close, London EC1A 7BL
Farrer & Co LLP	66 Lincoln's Inn Fields, London, WC2A 3LH
Veale Wasbrough Vizards LLP	Narrow Quay House, Narrow Quay, Bristol BS1 4QA

Investment managers

J.P. Morgan Private Bank	60 Victoria Embankment, London EC4Y 0JP

Property development advisors

Lendlease Consulting Ltd	Level 9, 5 Merchant Square, London W2 1BQ

Real estate advisors

Gerald Eve LLP	72 Welbeck Street, London, W1G 0AY

Registered Office

The Charity's registered office is at 38–43 Lincoln's Inn Fields, London WC2A 3PE.

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Royal College of Surgeons of England

ADVANCING SURGICAL CARE

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ROYAL COLLEGE OF SURGEONS OF ENGLAND

England & Wales - Charity number 212808

Accounts

Royal College of Surgeons of England

ADVANCING SURGICAL CARE

The Royal College of Surgeons of England

Annual Report and Accounts 2022–2023

Contents

President's foreword 2
Chief Executive's statement 4

TRUSTEES' REPORT 6

Our objects and aims 6
What we have achieved this year 8
Leading our profession 8
Improving practice 10
Engaging with our members 18
Embracing diversity 20
Transforming our College 22
Promoting public and professional engagement 23
Our new home of surgery 26
Looking ahead 26

FINANCIAL REVIEW 28

Funding partnerships 38
Structure, governance and management 40
Statement of trustees' responsibilities 44
Independent Auditor's Report to the Members of the Royal College of Surgeons of England 45

FINANCIAL STATEMENTS 48

Consolidated statement of financial activities 48
Consolidated balance sheet 49
Consolidated cash flow statement 50
Notes to the financial statements 51

REFERENCE AND ADMINISTRATIVE DETAILS 84

President's foreword

I am pleased to present the annual report for 2022–23, having taken over from Professor Neil Mortensen as President in July 2023.

It has been another challenging year for health services across all four nations of the UK, with waiting lists in England now at a record high of 7.74 million. I know from my visits to hospitals across the UK this year that surgical teams are working incredibly hard to reduce waiting lists. However, increased demand, staff shortages, low morale, burnout and industrial action have all made this difficult. We continue to lobby on behalf of our members for better working conditions and increased surgical capacity.

In January, Professor Neil Mortensen took part in the Prime Minister's NHS Recovery Forum at 10 Downing Street, its primary focus being to develop innovative and pragmatic ways to reduce waiting lists. There have also been meetings with Will Quince MP, Minister of State for Health and the Office of the Shadow Secretary of State for Health, Wes Streeting MP. We continue to convene quarterly meetings with Health Select Committee Chair, Steve Brine MP. In Wales, we meet regularly with the Minister for Health and Social Services, Baroness Morgan of Ely. Professor Mark Taylor, our Director in Northern Ireland, gave evidence on waiting lists in May 2023 at the Northern Ireland Affairs Select Committee in Westminster. We have also made a submission to Module 3 of the UK COVID-19 Inquiry.

I am delighted to say that in October 2022, we launched the National Cancer Audit Collaborating Centre (NATCAN), a new national centre of excellence to strengthen NHS cancer services by looking at treatments and patient outcomes across the country. The contract award for this centre to our College reinforces our position as a leading organisation for advancing surgical care. Initially covering audits in kidney cancer, non-Hodgkin lymphoma, ovarian cancer, pancreatic cancer and primary and metastatic breast cancer, NATCAN is now integrating the bowel, prostate and oesophagogastric cancer audits with exciting future work planned.

Turning to our work internationally, the Global Surgery Policy Unit, which launched in 2021, has been successful in securing funding to conduct an 18-month pilot programme, SPACES-ECHO, "Somaliland Paediatric Access and Clinical Excellence in Surgery", to strengthen paediatric surgical care. Somaliland is characterised by a burdensome level of unmet surgical need, disproportionately affecting children, so this is vital work.

As your new President, I remain committed to making the College and surgery the welcoming and inclusive place it needs to be

President Tim Mitchell and Professor Dame Averil Mansfield at the College.

exam and a strong plan for next steps. At the end of this financial year, we launched our new strategy for Specialty and Associate Specialist (SAS) surgeons and a raft of online resources for this critical and much-relied-upon group of doctors and dentists. We have also supported the Working Party on Sexual Misconduct in Surgery in launching their survey results and the associated report, and we are working on the College's actions in response.

I am in no doubt that the environment our members, and particularly surgical trainees, are working in right now is very challenging. With much uncertainty, a heavy cloud hangs over the UK's health services. However, I hope our annual review will give cause for hope. It is a snapshot of the excellent work that our members, fellows and staff are doing to improve surgery and the lives of surgeons, so that we can continue to provide our patients with the best possible care.

Tim Mitchell
President

This year has also seen us launch a three-year programme to accelerate the safe integration of robotic assisted surgery across UK healthcare with major activity delivered across our four streams of research: training, data and patient, public and policy awareness. There is enormous interest in using robotics for surgery from the media and the public. The government is also pushing robotics as a solution to long waiting lists. It is important that as the use of robotic assisted surgery expands, it is underpinned by a clear evidence base for better patient outcomes, and robust standards to protect patients.

As your new President, I remain committed to making the College and surgery the welcoming and inclusive place it needs to be. We continue to make progress on achieving the 16 recommendations put to us in the Kennedy review. To ensure it better represents our membership, reforms to the Council were voted through earlier this year. We have also successfully increased the diversity of our Council and committees through targeted outreach. We published our report on differential attainment in the MRCS exams, which has given us a clear quantitative analysis of the effect of protected characteristics and socio-economic factors on candidate performance in this MRCS

President Tim Mitchell with Professor Vishy Mahadevan and *Bulletin* specialty editor Deepak Batura at the *Bulletin*'s 40th anniversary event.

Chief Executive's statement

Two years into our ambitious five-year strategy, Changing the Face of Surgery, with our vision of ensuring "excellent surgical care for everyone", we are making good progress with our five strategic aims of leading the profession, improving practice, engaging our membership, embracing diversity and transforming our college.

In line with our priorities to lead the profession and improve practice we remained the leading voice for surgery with policy makers and in the media, as the President has reflected in his foreword.

We continued to focus on implementing the recommendations of the independent review on diversity and inclusion this year and the addition of LGBTQ+ and Race, Ethnicity and Belief work streams. In April, Council agreed to a suite of reforms to its make-up. We also developed proposals to begin to tackle differential attainment in exams, a strategy to support Specialty and Associate Specialist (SAS) surgeons, continued our Parents in Surgery project and developed a Mentorship Toolkit. In addition, we funded two research fellowships in Diversity, Equity and Inclusion in Surgery.

Our vision is to create a culture of collaboration, innovation and agility, enabling us to leverage digital technology to its full potential for the benefit of our membership and their patients

Our digital transformation continues to progress, focused on three key areas: people and culture, strategy and measurement, and improved user experience. Our vision is to create a culture of collaboration, innovation and agility, enabling us to leverage digital technology to its full potential for the benefit of our membership and their patients. We will practise data-informed decision-making, improve business efficiency and enhance the user experience.

The reopening of the Hunterian Museum in spring 2023 was a landmark occasion, signifying the completion of our transformed premises at Lincoln's Inn Fields. The museum has been beautifully reimagined and showcases the collection that was created by John Hunter, founder of scientific surgery, tracing the history of surgery from ancient times to the latest robot-assisted operations. Some 30,000 people visited the museum in the first three and a half weeks of opening, and this is testament to its enduring interest, not only to our profession, but also the wider public.

The Faculty of Dental Surgery has also successfully continued its focus on children's oral health and inequalities.

Financially we achieved another healthy operating surplus, a much better result than we had initially anticipated, and we have continued to see growth in our UK and international membership. However, we cannot be complacent and much remains to be done to ensure we can continue to weather the storm of the national and international economic challenges.

Dame Clare Marx's memorial; portrait of Dame Clare at the College (below).

The past year sadly brought the loss of two much admired past presidents of the College. Dame Clare Marx (2014–17), who died in November 2022 having bravely fought a diagnosis of pancreatic cancer, has left a lasting legacy at both the College and the General Medical Council, where she was Chair. Professor Sir Peter Morris (2001–04), who died in October 2022, pioneered transplant surgery and was one of the brilliant surgeons of his generation.

In welcoming our new President, may I also extend my sincere thanks to Professor Neil Mortensen, who completed his three-year tenure as President in July 2023. His clear-sighted leadership and unwavering support helped to steer the College through the challenges of COVID-19 and drive forward our priority aim to promote greater diversity.

Finally, I would like to thank our exceptional staff team who have wholeheartedly embraced our ambitious new strategy, working collaboratively and with determination to progress the vision to transform your College.

Andrew Reed
Chief Executive

Trustees' Report

The trustees of the Royal College of Surgeons of England (RCS England) are pleased to present their report for the year ended 30 June 2023.

Our objects and aims

RCS England was established for the study and promotion of the art and science of surgery. Our vision is to see excellent surgical care for everyone.

Our mission

Our mission is to enable our members, in all their diversity, to deliver excellence in everything they do.

Our strategic aims

We will do this by:

leading our profession: being the pre-eminent voice of surgery, championing excellent surgical care by engaging the profession, policy makers, patients and the public

improving practice: continually improving the practice, standards and safety of surgical care, and developing the workforce across the UK

engaging our members: inspiring, supporting, educating and representing the professional interests of a growing, diverse membership

embracing diversity: championing the diversity of our profession, treating everyone with respect and compassion, and demonstrating our commitment to fairness, gender equality and anti-racism

transforming our College: building a sustainable, diverse, digital, forward-looking organisation that plays its part in the world and is accountable for everything it does

Our core values

Our values are:

Collaboration: we embrace our collective responsibility, working as one college

Respect: we value every person we come into contact with as an individual, we respect their aspirations and commitments in life, and seek to understand and meet their physical and wellbeing needs

Excellence: we aspire to excellence and success, we share learning from our experiences, apply feedback to practice and commit to continual improvement

Working for the public benefit

We deliver public benefit through a wide range of activities that influence and support the professional development of surgeons and the delivery of surgical services for the benefit of patients, surgeons and trainee surgeons. We provide strong leadership and support for surgeons in all matters relating to their surgical practice throughout their careers. Our activities and achievements, which all lead to public benefit, reinforce our strategic aims and demonstrate our commitment to maintain the highest standards of surgical practice and patient care.

The trustees confirm that they have paid due regard to the guidance issued by the Charity Commission on public benefit, and further confirm that the activities of RCS England are carried out for public benefit.

Our work is based on a number of the charitable purposes defined in the Charities Act 2006 – chiefly the advancement of education, the advancement of health or the saving of lives, and the advancement of the arts, culture, heritage or science. We engage directly with the public through the Hunterian Museum, the media, our publications and our journals (the *Annals*, the *Bulletin* and the *FDJ*).

Simon Murray
Business Manager A & EM
KARL STORZ ENDOSCOP

What we have achieved this year

Leading our profession

The focus of our influencing work has been on lobbying government for increased investment in surgical resources and providing pragmatic solutions to address increased waiting lists. We are focused on helping surgeons to address the record waiting lists that have increased over the past two years.

Supporting our surgeons

We are proud to support our next generation of surgeons. In August, we secured the contract to establish a new national centre called the National Cancer Audit Collaborating Centre (NATCAN), which includes five new national audits for breast, ovarian, pancreatic, non-Hodgkin lymphoma and renal cancer. In November, we held the Future of Surgery Conference which brought together surgeons, trainees, anaesthetists and the surgical care team.

We are continuing to support the work of the Working Party on Sexual Misconduct in Surgery. In May, we attended a roundtable to discuss the findings of the soon to be published survey on the surgical workforce.

Influencing the agenda

Our influencing work continues to be an important element of the College's work. In January, former President Professor Neil Mortensen was invited to participate in the Prime Minister's NHS Recovery Forum at 10 Downing Street. The aim of the Forum was to provide innovative and pragmatic solutions to specific NHS England challenges including getting surgeons back into theatres and changes to NHS pensions. Meetings were held with Will Quince MP, Minister of State for Health and the Office of the Shadow Secretary of State for Health, Wes Streeting MP.

Regular meetings were convened and led by the College. Meetings with the Health Select Committee Chair, Steve Brine MP, and several College Presidents took place in January, April and July, and discussed health inequalities, workforce issues and data collection. Tim Mitchell attended the Elective Care Engagement Forum and discussed NHS England's Elective Recovery Programme and the target to reduce the number of patients waiting more than 18 months for treatment.

We also attended the party conferences, an important part of the political calendar. In partnership with Versus Arthritis and the Independent Healthcare Providers Network, we held a fringe party conference event where former President Professor Neil Mortensen spoke on the waiting times backlog. Mr Matthew Garrett, former Dean of the Faculty of Dental Surgery (FDS), attended the Labour Party Conference in Liverpool and discussed child health inequalities with Shadow Secretary of State, Wes Streeting. We also attended private roundtables hosted by the General Medical Council (GMC) and the Academy of Medical Royal Colleges, putting forward the key issues impacting surgeons.

Participants in our Surgical Skills competition in April 2023.

Out at the College event hosted by PRiSM.

The voice of surgery

We have been the pre-eminent voice of surgery in the UK media throughout the year: high-profile interviews included former College President Professor Neil Mortensen speaking to *Sky News* in July about the Health and Social Care Committee's report "Workforce: recruitment, training and retention", saying that the health service was still recovering from the pandemic. Professor Mortensen was interviewed on *BBC News* after the health secretary announced the new health plan in the House of Commons in September. Also in September, Mr Matthew Garrett, former Dean of FDS, was quoted in the dental press responding to NHS tooth decay data – the main reason children aged five to nine are admitted to hospital. In March, Senior Vice-President Professor Fiona Myint warned in *The i* newspaper that continuing to reduce the backlog of over seven million patients waiting for treatment would be "difficult and slow", calling on the government to publish its Workforce Plan. *The Daily Telegraph* also interviewed Professor Mortensen as he was preparing to finish his term in office.

The media featured how we have long campaigned for innovations including surgical hubs to be harnessed to improve the NHS and help tackle the record waiting lists.

Senior Vice-President Professor Fiona Myint told *The Times*: "Every extra day of the delay on the strategy to increase the number of doctors and nurses will make slashing record hospital waiting lists all the more difficult, despite the Herculean effort by NHS staff."

In May, we secured more than 60 items of media coverage about the reopening of the Hunterian Museum. Several BBC News programmes, national newspapers, *The Lancet*, *Nature*, *Museums Journal* and the *New Scientist* were among those who gave positive reviews.

Guest speakers Professor Dame Averil Mansfield (far left), Professor Rhea Liang (second from right) and Dr Liz O'Riordan (right) at our International Women's Day Conference in March 2023.

Professor Neil Mortensen with First Minister of Wales, Mark Drakeford and Director in Wales Professor Jon Barry (left); Presidential visit to Wales.

Devolved nations

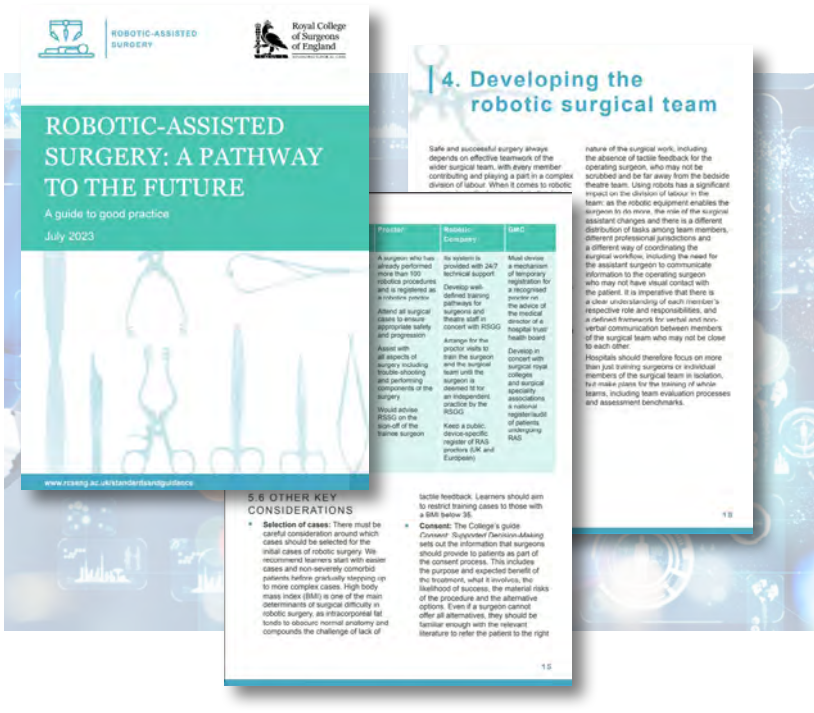
Coordinated campaigns delivered in Wales and Northern Ireland focused on expanding surgical hub provision and the workforce. In August, we met the four Surgical College Presidents in Belfast at the invitation of the Department of Health in Northern Ireland. The Northern Ireland Chief Medical Officer, Professor Sir Michael McBride convened an all-day intercollegiate meeting to discuss surgical challenges in Northern Ireland and it was a highly successful engagement for all involved. Northern Ireland's waiting times for elective care remain extremely challenging and our Regional Director is often called upon to highlight the need for greater resources in addressing the huge waiting lists. In May 2023, Professor Mark Taylor in his role as Director of the College in Northern Ireland gave evidence to the Northern Ireland Affairs Select Committee in Westminster outlining the scale of the health service problems in the context of a difficult financial budgetary landscape. In December, we met the First Minister of Wales, Mark Drakeford, on a Presidential visit. Surgeons from across Wales attended the Celebration of Surgery event, to share their experiences of how surgical teams are working, the successes and to discuss challenges in the Welsh NHS. There are currently nearly 750,000 "patient pathways" on the waiting list in Wales – which equates to nearly one-quarter of the population waiting for treatment. Director in Wales, Professor Jon Barry is very active in the media and in his meetings with clinical, government and academic stakeholders in pushing for the changes needed to help bring waiting lists down.

Improving practice

We have delivered multiple programmes of activity supporting surgeons to improve practice.

Setting standards and providing advice on good surgical practice

We maintained a diverse portfolio of good practice guidance with more than 20 separate resources providing detailed advice on key legal, moral, ethical and practical aspects of working in surgery. Our newly published *Robotic Assisted Surgery: a pathway to the future good*



practice guide provides an extensive new addition to this portfolio with a detailed framework of advice to support the safe and sustainable expansion of robotic assisted surgery in the UK. Having contributed to the GMC's new edition *Good Medical Practice* in 2022–23, we will now update our flagship standards and guidance document *Good Surgical Practice* in 2024.

Reviewing surgical practice to support patient safety
We undertook important work to assure and improve the quality and safety of patient care, completing 31 individual, service and clinical record reviews for hospitals across the UK.

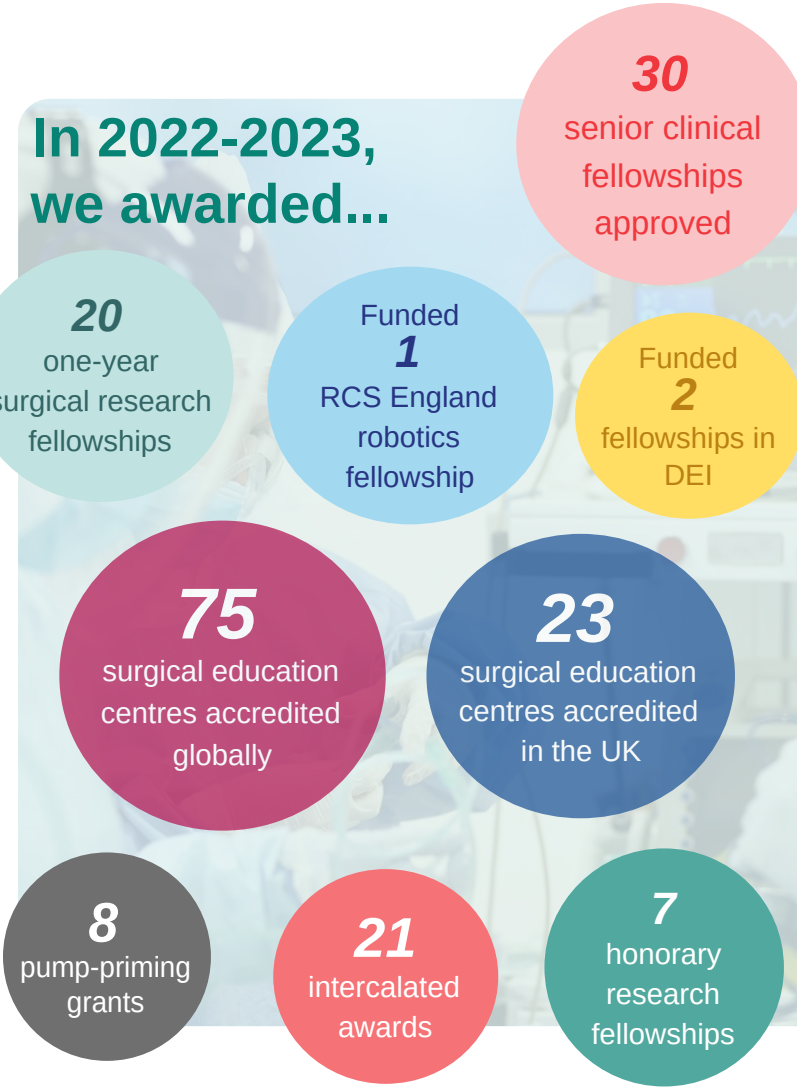
Driving quality improvement

Our flagship quality improvement initiatives improving care for patients with acute gallstone disease and hand trauma continued to make impressive progress. We concluded CholeQuIC3 and evaluated the impact of this leading national quality improvement project. We also recruited a number of new hospitals to take part in CholeQuIC4, launching in September 2024.

We were delighted to celebrate our successful conclusion of "HandsFirst", our new quality improvement collaborative improving care for patients experiencing hand trauma, which recruited 25 participant hospitals and ran from autumn 2021 to spring 2023. Participant sites achieved hugely impressive improvements to the patient care and wider services that they provided, and have laid the foundations for what we anticipate will be an even more successful second phase of the project, HandsFirst2, with a number of sites now recruited and ready to commence this important work.

We developed proposals for new improvement collaboratives in a range of areas including ileostomy closure, diabetes, acute acoustic trauma and improving the services available to support surgeons after adverse events, which we hope will progress to launching across 2023–24.

25 hospitals *ran the HandsFirst program for patients experiencing hand trauma from autumn 2021 to spring 2023*



Accrediting and assuring excellence

Our accreditation and quality assurance team has had an extremely successful year, now providing what we believe to be the biggest surgical education accreditation scheme in the world. We have accredited 23 surgical education centres across the UK and overall accredit 75 surgical education centres globally. We accredit 10 surgical education courses and last year awarded CPD for 292 surgical education events. Our senior clinical fellowships had its busiest year yet, with 30 new senior clinical fellowships approved and over 120 approved by the scheme overall.

Facilitating research

We continue to sustain a thriving programme of research fellowships and wider awards, thanks to the continuing support of our extremely generous and long-standing funding partners. During 2022–23, we awarded 20 one-year surgical research fellowships and 7 honorary research fellowships. The College funded a robotics fellowship, and two research fellowships in Diversity, Equity and Inclusion in Surgery.

We awarded 8 pump-priming grants, 21 intercalated awards and several other grants including travel awards,

all made possible by the generous support of our funding partners and the College's Research endowed funds.

Surgical trials

We continue to support nine ground-breaking surgical trials centres, nine chairs of surgical trials and over 25 surgical specialty leads, each working hard to drive excellence in surgical trials across the UK. We have also continued to support a COVID-19 Recovery Research Group that seeks to mitigate the impact of COVID-19 on the delivery of surgical care.

Clinical effectiveness

The Clinical Effectiveness Unit (CEU) works closely with the surgical specialty associations to conduct large-scale studies into the quality of surgical care. Its portfolio of work includes national clinical audits on breast, bowel, prostate, lung and oesophagogastric cancer, as well as national studies of vascular surgery, emergency bowel surgery and the care received by children with cleft lip and palate. These studies publish annual "State of the Nation" reports that are used by NHS services, healthcare regulators and policy makers to improve the quality of care for patients.

In October 2022, we were delighted to launch the NATCAN, a new national centre of excellence with the aim of strengthening NHS cancer services by looking at treatments and patient outcomes across the country. The centre has been commissioned for an initial three-year period by the Healthcare Quality Improvement Partnership, on behalf of NHS England and the Welsh government, and is based within the CEU. NATCAN brings national cancer audits together in one place, enabling us to share best practice and clinical excellence. Initially covering audits in kidney cancer, non-Hodgkin lymphoma, ovarian cancer, pancreatic cancer and primary and metastatic breast cancer, NATCAN is also now integrating the bowel, prostate and oesophagogastric cancer audits with exciting future work planned.

Leading the future of surgery

In summer 2022, we were delighted to launch the new RCS England Future of Surgery Innovation Hub and to run an exciting programme of workshops and other activities for surgical team members interested in navigating the complex pathway from "great idea" to new product or service that supports healthcare improvement. The hub offers a range of in-person and online activities and resources, and connects surgical team members with industry, as well those interested in innovation in surgery more broadly. An exciting programme for 2023–24 is already underway.

This year also saw the launch of our important new three-year programme to accelerate the safe integration of robotic assisted surgery across UK healthcare with major activity being delivered across our four streams of research: training, data and patient, public and policy awareness.

Learning

Our learning offer is central to our strategic aims, supporting our members and meeting the current and future needs of the surgical workforce. Highlights of this year have included the following:

- We refreshed our learning strategic aims and enablers, continuing to focus on leading and driving surgical education for the profession, delivering high-quality learning for our members and the wider profession, and bringing people, collaboration and networks more explicitly into the centre of our strategy.
- We delivered training to 9,077 participants on 765 courses, working with 152 centres. Our 4,000+ volunteer faculty members are the essential backbone without whom this would not be possible. We have seen particular growth within our international course delivery this year.
- In the second year since opening, our team of dedicated staff and faculty in the Bjorn Saven Centre for Surgical Education in our London home, delivered 136 courses to 2,028 participants.
- Our digital learning offer continues to develop to meet our members' needs; this year, alongside providing 502 people with PGCert modules, we delivered 17 virtual classrooms for Professional Behaviours in Aesthetic Surgery and 4 virtual MRCS OSCE preparation sessions as part of our developing revision offer.
- We have developed and started to launch a series of new modules on leadership skills and human factors and will continue to release these over the coming year.
- We piloted new offers this year including a hybrid Training the Trainers course, offering e-learning, one-to-one virtual sessions and a face-to-face day, with a significantly increased discount for members and an Innovation Course in collaboration with the Innovation Hub and the Association of Surgeons in Training.
- We are proceeding with a tender for our new 360 extended reality immersive space, which will be based in the Bjorn Saven Centre and are developing a suite of content for immersive learning environments to support our technology-enhanced learning vision and lead the way in surgical education.
- Our National Emerging Leaders programme continues to support and equip women and non-binary people with tools, practical support, networks and confidence to apply for leadership roles within the College and wider surgical and dental professions. This year we supported 25 people across two years of the programme.

9,077 *participants on* ***785*** *courses, working with* ***152*** *centres*

502 *people provided with PGCert modules*

136 *courses delivered to* ***2,028*** *participants by the Bjorn Savern Centre*

4,000+ *volunteer faculty members*

17 *virtual classrooms for Professional Behaviours in Aesthetic Surgery*

4 ***virtual*** *MRCS OSCE preparation sessions*

25 *people supported across two years on our National Emerging Leaders Programme*

Global engagement

The College continues to develop its exciting global agenda through its strategic collaborations and training schemes.

Global Surgery Policy Unit

Established in September 2021, the Global Surgery Policy Unit (GSPU) is a unique and strategic partnership with the London School of Economics and Political Science (LSE) that aims to advance global public health, surgical, obstetric and anaesthesia care, with a particular focus on low- and middle-income countries. Building on the College's work with stakeholders to produce Somaliland's first National Surgical, Obstetric and Anaesthesia Plan, the GSPU has been successful in securing funding to conduct an 18-month pilot programme, SPACES-ECHO, "Somaliland Paediatric Access and Clinical Excellence in Surgery", to strengthen paediatric surgical care through the adoption of the "Expanding Community Healthcare Outcomes" (ECHO™) model for sustainable community-based tele-learning, knowledge transfer and exchange.

Somaliland is characterised by a burdensome level of unmet surgical need, which disproportionately affects children. Although 256,000 children nationally require surgical care, only 62.4 surgical procedures per 100,000 children are performed annually. As a result of these deficiencies, 11% of all children in Somaliland die before reaching five years of age. By connecting specialist and non-specialist providers of paediatric surgical care, this tele-health system will contribute to capacity-building efforts among Somaliland's existing healthcare workforce and support the country's National Vision 2030. The ECHO model will be leveraged to increase the knowledge and skills of the non-surgically trained healthcare workforce and improve clinical outcomes for children suffering from burns and pyloric stenosis.

By connecting specialist and non-specialist providers of paediatric surgical care, this tele-health system will contribute to capacity-building efforts among Somaliland's existing healthcare workforce and support the country's National Vision 2030

The GSPU has been successful in securing funding to conduct an 18-month programme, SPACES-ECHO

Alongside the LSE (lead partner) and the College, local programme partners include the Ministry of Health Development of the Republic of Somaliland, Amoud University and Mohamed Aden Sheikh Children's Hospital in Hargeisa.

Humanitarian Surgery initiative

The Humanitarian Surgery initiative is an international collaboration funded by the UK Humanitarian Innovation Hub, established to explore the potential role and contribution of technology in building humanitarian surgical capacity, resilience and preparedness in low-resource settings.

The College launched the "Surgical Voices from the Global South" programme, a series of webinars focused on exploring, sharing and amplifying key issues and experiences of delivering surgical, anaesthesia and trauma care, as told by those who live and work in the Global South.

Organised and facilitated by its Humanitarian Surgery Innovation Fellows, the webinars covered a range of topics including trauma care in Africa; surgical challenges arising from the conflict in Yemen; resilience humanitarianism; and civilian–military healthcare integration. The webinars were highly successful with more than 2,300 participants registered or attending from around the world.

International Surgical Training Programme

The International Surgical Training Programme (ISTP) and GMC sponsorship scheme has continued to facilitate new training placements for international medical graduates in NHS trusts across the country. 48 international medical graduates were matched and placed in ISTP training posts during the year. In total, 73% of these placements were made in trauma and orthopaedics, general surgery and neurosurgery and 68% were made in three regions: East of England, Yorkshire and The Humber, and London. In relation to the College's GMC sponsorship scheme, 51 overseas surgeons have been sponsored by the College to the GMC medical register during the year. Almost 50% of these doctors were in the trauma and orthopaedics and general surgery specialties.

Assessment

We are a leading national and international centre for surgical and dental assessment. Across the 12 different qualifications for which we run assessments, we have continued to ensure that our approach to assessment delivery is modern, accessible and inclusive.

We have sought to embrace the return to full face-to-face activity in many areas while retaining a number of recent developments that have resulted in the greater use of technology within our examinations. This has meant that examinations activity achieves the benefits of enhanced assessment options and accessibility for candidates in the assessment of knowledge, while realising the undoubted benefits of face-to-face oral activity in assessing skills and behaviours.

We have re-established a full programme of international activity with our surgical examinations, reflecting unprecedented candidate demand following the successful implementation of test centre activity for written assessment elements. We continue to work to ensure that our international presence can play the important role of raising standards while being delivered in the most sustainable way possible.

Regarding our dental activity, we have gained regulatory approval for our relaunched licencing examination and are seeking to develop capacity to accommodate considerable demand for an activity that has such a demonstrable role for the profession. This is part of a broader process of reviewing our dental examinations offer to ensure that this serves our organisational aims, and those of the broader professional context, in a proportionate and efficient way.

Across all of our assessment activity, we continue to work to ensure that all candidates can perform to their full potential. We have published our initial report on differential attainment in surgical examinations, which establishes a number of key areas of future work to address the attainment gap in practice. We will apply the principles behind specific initiatives, from candidate information and guidance to increased diversity on examiner panels, to all of our assessment activity to ensure that this reflects a fair and inclusive environment for all.

Workforce and training

The Joint Committee on Surgical Training (JCST), which is hosted by RCS England on behalf of all four surgical Royal Colleges in the UK and Ireland, enrolled 369 new specialty trainees (excludes core trainees), recommended 630 trainees for certification (including 36 in Ireland), evaluated 220 applications and reviews for the Certificate of Eligibility for Specialist Registration (CESR), and worked on 12 CESR appeals on behalf of the GMC during the 2022–23 financial year.

The JCST enrolled ***369*** *new specialty trainees*

The JCST continued to push for surgical trainees to be included in every single case to ensure they progress through training with the relevant skills and achieve the competencies required by the Certificate of Completion of Training (CCT) without any additional delays. Although surgical training showed signs of recovering, eLogbook data still showed that progress has been slower than expected and numbers are yet to achieve pre-pandemic levels. The JCST worked very closely with the statutory education bodies, the GMC, the Confederation of Postgraduate Schools of Surgery and trainee associations (Association of Surgeons in Training and British Orthopaedic Trainee Association) to ensure both trainees and trainers were supported.

recommended ***630*** *trainees for certification*

The period 2022–23 was also a key year in terms of embedding the new outcomes-based curricula and ensuring both trainees and trainers feel confident and use the new tools and assessment as is expected. A huge amount of work went into producing new guidance and FAQs, and delivering webinars/events to support those delivering the new curricula. Work was also ongoing to evaluate the new curricula and report to the GMC.

evaluated ***220*** *applications and reviews for the Certificate of Eligibility for Specialist Registration (CESR)*

The GMC, following a request from UK Medical Education Reference Group, asked the JCST to review the core surgery curriculum with the aim of creating a true pluripotent core surgery curriculum. The Core Surgery Training Advisory Committee and its members, with senior JCST clinicians and colleagues, worked on a proposal that was out for consultation at the end of July 2023.

The JCST's regional specialty reports, which come under the JCST's quality work, were completed and circulated to all the relevant stakeholders, including postgraduate deans and the Confederation of Postgraduate Schools of Surgery. The sixth annual JCST Trainee Survey report was also published here. The JCST's biennial Trainer Survey was live during the summer and a report will be published in due course – previous reports are available here.

JCST
Joint Committee on Surgical Training
JCST Trainee Survey Annual Report – 2020/21 and 2021/22
Introduction
JCST
Second Biennial Report of the JCST Trainer Survey
Introduction
Survey overview
Response rate
JCST Trainer Survey 2021 (Last Update: May 2022)

Following legislative changes due to be implemented from 30 November 2023, the standard for CESR will change from "equivalence to a CCT" to "requiring an applicant to demonstrate knowledge, skills, and experience for GP or specialist practice in the UK". The JCST, with the GMC, has engaged in a huge amount of work to update the Specialty Specific Guidance for all ten surgical specialties.

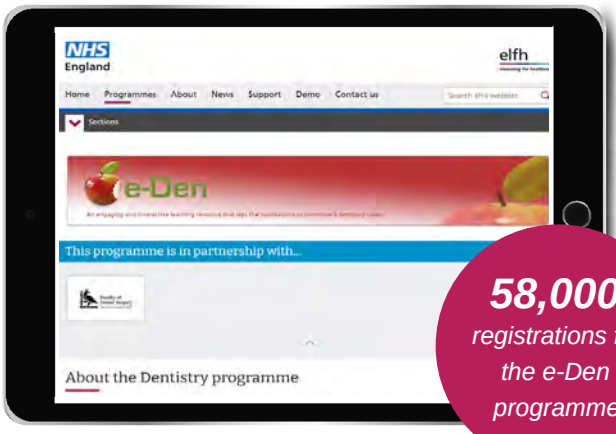
Supporting dental surgery

Throughout the year, the FDS has sought to deliver against its five strategic aims as follows:

1. To set the highest possible standards in oral healthcare by driving research, collating expertise, reviewing the evidence and understanding the needs of patients.
2. To develop the confidence, skills, networks and knowledge of our members at all career stages.
3. To inform and influence policy makers by advocating for better and more equitable oral healthcare.
4. To continue to grow our Faculty by embracing diversity, fostering belonging, nurturing future (clinical/research) leaders and inspiring the professionals of the future.
5. To transform our Faculty, sharing the values and aligning our strengths with the College.

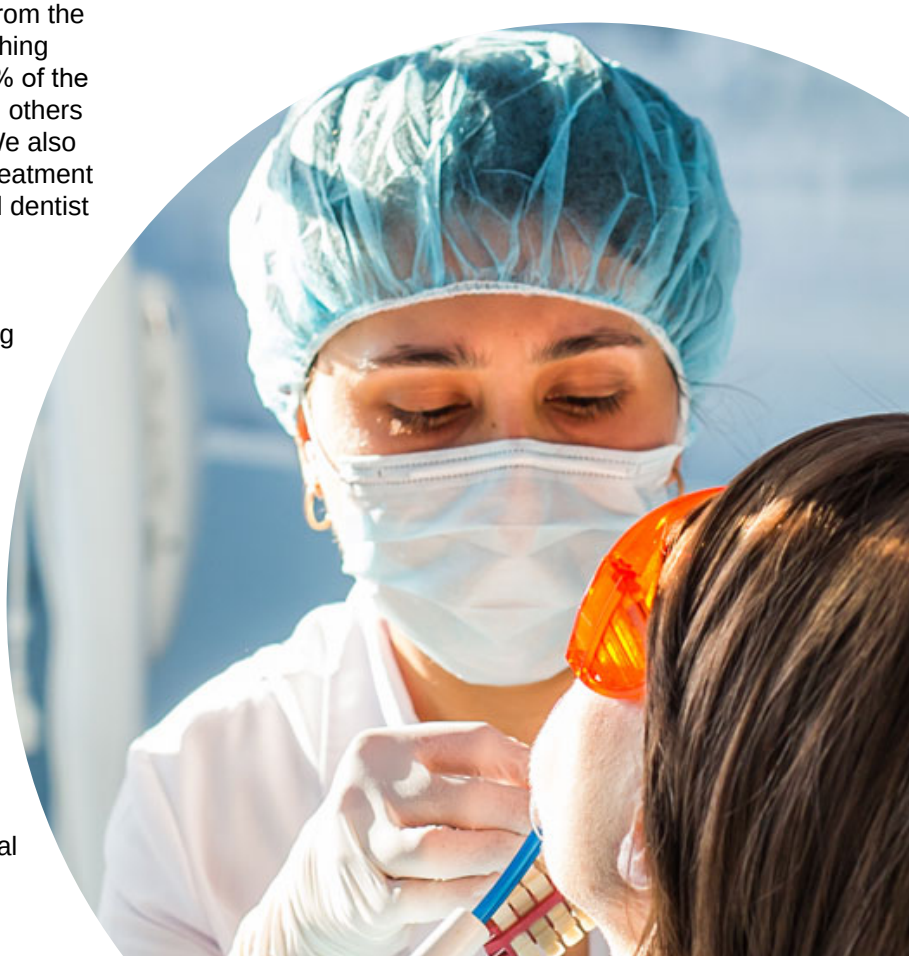
Throughout 2022–23, most of our initiatives have sought to deliver against these five strategic aims. Mr Matthew Garrett demitted as Dean in mid-June 2023 and Dr Charlotte Eckhardt was elected. We thank Mr Garrett for all his work and advocacy over the past three years and welcome Dr Eckhardt to the post. We continued our campaign to address children's health, in particular focusing on the prevention of tooth decay. We were pleased that on 1 October 2022, regulations came into force to ban products that are high in fat, salt and sugar from being located at supermarket checkouts, aisle ends and store entrances. We hosted our first ever fringe event at the Labour Party Conference in partnership with the Royal College of Paediatrics and Child Health and the Fabian Society. We also supported a new guide from the Getting It Right First Time programme on establishing conscious sedation services. It estimated that 12% of the population have a high level of dental anxiety and others may need procedures that are long or invasive. We also continued our campaign to address orthodontic treatment being conducted without examination by a trained dentist or orthodontist.

We continue to be a leading provider of dental education nationally and internationally, supporting dentists and other members of the dental team. To deliver against our strategic aim of embracing diversity and fostering belonging, we have reached out regionally, globally and to more of our specialty dental colleagues. We have recently set up a new SAS Education Committee, welcoming SAS grade colleagues and inviting them to share their views and concerns. We have also reviewed and increased our engagement with our specialty advisors in the regions and we are working with the wider College to develop new initiatives in global oral health. Our efforts in these three areas will inform the development of new educational activities and materials, including through our online interactive educational programme e-Den, where in the past year our Faculty's excellent performance has led to an increase in our share of the e-Den development fund. We have now reached a record 58,000 registrations to the programme, which has also been successful in various countries around the world.



58,000 *registrations for the e-Den programme*

We continue to take a blended approach to education and events, and more recently were able to expand our reach to the wider health group with the success of our mental health event and our international advanced assessment masterclass both attracting high numbers and excellent feedback. We were also able to benefit from the King's coronation early this year by hosting a business collaboration with China, which proved a huge success all round.



Engaging with our members

Throughout the year we have worked hard to support our members wherever they are in the UK and whatever their career stage. Alongside a wide range of in-person and online activities and resources, we have worked closely with our network of regional representatives to review almost 400 consultant job descriptions and to stay informed about the key issues impacting members and their patients.

This year we have hosted almost 40 regional and devolved nation board meetings, including the first ever joint council meeting and regional committee in November 2022. We look forward to hosting this in our Manchester hub in late 2023.

We have engaged more than 30 medical school surgical societies through the Future Surgeons Forum and hosted our inaugural Future Surgeons conference for medical students, which was attended by an incredible 276 students from the UK and internationally. Delegates joined us from as far afield as India, Mexico and Malaysia. We have also sponsored and attended a wide variety of surgical events and national conferences across the UK where we have met members from every region, career grade, specialty and role within the surgical team.

Teams from the nation's 15 schools of surgery were represented in our annual *Are You Cut Out For It?* surgical skills competition for core trainees for the first time.

Professor Neil Mortensen with the Welsh team winners of the *Are You Cut out For It?* competition (left)

The team from Wales triumphed at the 2022–23 national final. Regional heats have now begun for the 2023–24 competition.

We have continued to make excellent progress with some key membership-focused diversity, equity and inclusion (DEI) projects. This includes the launch of a Mentorship Toolkit, and running a successful medical school engagement pilot with three non-London medical schools: Leeds, Leicester and Anglia Ruskin (Chelmsford). As part of this project we hosted *So You Want To Be A Surgeon?* conferences at each university and joined the University of Leeds summer school to engage sixth-form students throughout Yorkshire in a Cutting Edge Careers workshop. Our Grassroots in Surgery scheme, now in its second year, received 33 applications. The College will be supporting seven exciting projects over the course of this year with just over £35,000 of seed funding.

Our President and other Officers once again travelled far and wide to meet members, surgical teams and senior managers in trusts and hospitals across the UK, including Presidential Visits to Manchester, Liverpool, Bristol, North Devon, Plymouth and London.

Our programme of events continues to grow. We were delighted to host our second in-person Future Surgery Show with our partner CloserStill, attended by more than 2,200 delegates over two days. We have also been expanding our in-person and hybrid conferences, welcoming 1,100 delegates during the year. Alongside our conference

programme, our extensive webinar programme continues to support College workstreams. More than 1,000 attendees joined us to discuss a wide range of topics including training and career development, wellbeing, global surgery, and DEI issues.

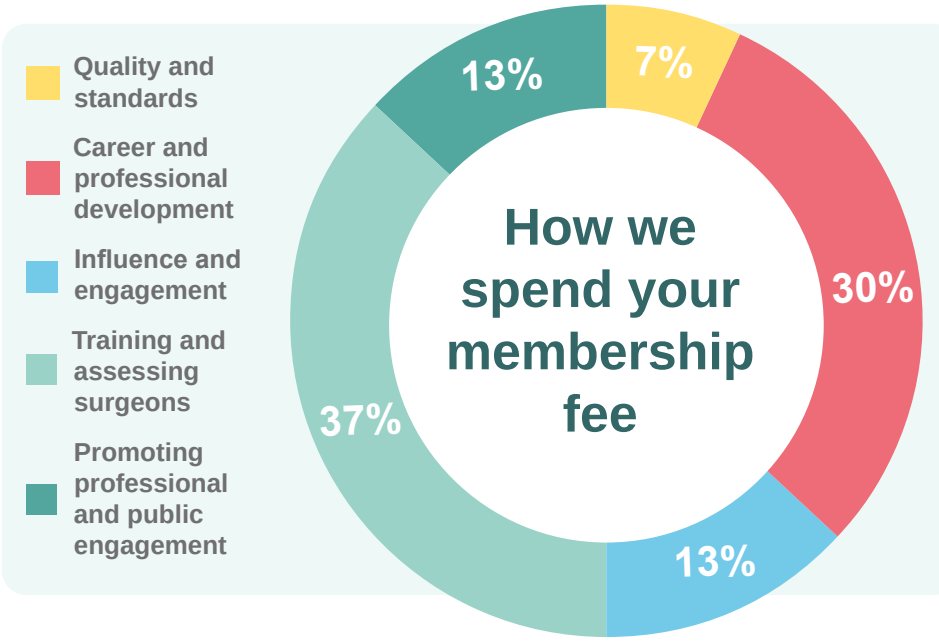
Outside our conference and webinar programmes, more than 1,000 diplomates received their diplomas at 14 ceremonies and we welcomed over 500 guests to a series of preview events to celebrate the long-anticipated reopening of the Hunterian Museum.

Across its digital channels, the College has seen a year of continued growth. Our most popular content, as expected, relates to exams and courses. Members are continuing to engage with our newsletters and email content at well above industry rates, with our average open rate for member newsletters and updates at just over 54%, compared with the sector average of under 30%. Engagement on our social media channels has continued to rise with users actively (i.e. commenting, liking or sharing) engaging with our content more than 183,000 times across the year.

The College's journal portfolio remains of high value to our membership. The *Bulletin* celebrated its 40th anniversary in July and continues to serve as the voice of the surgical community on highly relevant topics including wellbeing, industrial action, bullying and sexual misconduct in the profession, as well as diversity and the extended surgical team. As well as the impact of the printed edition, the *Bulletin* continues to reinforce its digital presence, averaging 28,000 monthly online page views. The *FDJ* has seen increased online usage of nearly 4,000 monthly page views on average.

Meanwhile, the *Trainees' Bulletin* published its fifth annual edition in collaboration with the Association of Surgeons in Training with a specific focus on the trainees' agenda, this year for the first time including updates from the various specialty associations.

The latest *Annals*' Impact Factor of 1.4 represents a drop from last year – a trend observed across the medical journal sector – although online usage and reach have increased, and the journal has published two special focus issues.



Embracing diversity

Two years have passed since the release of the independent review on DEI, and during this time, remarkable strides have been taken. Particularly noteworthy are the advancements made in various initiatives, including Council reform, differential attainment, SAS, as well as the Parents in Surgery project, among several others.

From its inception, we have expanded beyond the original 16 workstreams, seamlessly integrating some of these efforts into our standard operations. As we persevere in our joint journey of sharing and learning, facilitated by the DEI working group, we seize the opportunity to amplify the progress built upon the strong foundation laid over the preceding two years.

The current year has been dedicated to further enhancing the outstanding accomplishments achieved thus far. The invaluable insights garnered from the respect and inclusion training sessions have empowered us to refine our strategies for internal DEI initiatives. In doing so, we aim to extend our impact beyond the professional realm to positively affect the wellbeing of the College staff.

A major highlight over the past year, and one of our primary goals has been on enhancing diverse representation across various leadership and decision-making roles within the College ecosystem. We are proud to report that we have successfully increased the diversity of our Council and committees. Through targeted outreach, we have successfully appointed more individuals from underrepresented groups from across the membership.

Our flagship programme, Parents in Surgery has made major strides with the release of the report conducted by the Nuffield Trust. The report identified a series of recommendations and areas for action, currently being taken forward. These will help improve the culture and policies for surgeons and healthcare staff more widely. Alongside this, a community is in development to support the sharing of experiences, resources and peer support. This will ensure that surgeons and dentists with parental responsibilities have the same access and opportunities for training and development as those who are not parents.

Having successfully launched our SAS strategy in July 2023, we have achieved a huge amount. Notably in the areas of recruitment, research, the development of a professional passport, supporting the development of new national guidance on induction for international medical graduates and the establishment of an SAS Dental Educational Committee to open up FDS roles to SAS surgeons.

Other notable highlights include the release of our report into differential attainment in the MRCS exams. The Kennedy review identified the pivotal role of examinations in the College's reputation and sustainability. This piece of work has allowed us to get a clear picture of the factors contributing to differential attainment in the MRCS and a clear plan for next steps.

The Pride in Surgery Forum became formally affiliated with the College with a mission to develop a network of LGBTQ+ individuals and allies; provide mentorship and pastoral support; produce inclusive policies and guidance; raise the visibility and profile of the surgical LGBTQ+ workforce; and perform outreach work with medical students and trainees to encourage them to pursue a surgical career.

Our Grassroots in Surgery scheme is going from strength to strength as we opened and closed another round of applications, building on the success of the last and seeing an increase in the number of applications. This round of applications demonstrated the reach of the programme as we had submissions from global members. This gives the College a great opportunity to consider how we can broaden the reach of the programme.

The theme of bringing in our international community was also evident in our work with medical schools. The flagship Future Surgeon's Conference, which ran as a hybrid event, had a strong global presence with 24 of the 61 universities represented being international. This has led to collaborative work taking place with the global team to develop a programme with our international community in mind.

We continue to focus on building strong networks and communities to support our work. This has led to the development of the Race, Ethnicity and Belief workstream. A project plan is currently in development to ensure that surgeons of varying races, ethnicities and beliefs are visibly valued, recognised and embraced by the College and the surgical profession at large.

An exciting new area of work that took place was the development of our diversity microsite. The site highlights all the fantastic work being undertaken by the College on DEI. This acts as a space to support the development of various networks and communities, while allowing our members and visitors to get updates in a more engaging and interactive way.

Our commitment to DEI will continue to be a driving force, ensuring that collaboration, respect and excellence are the cornerstones upon which the College stands. We believe that by fostering a more diverse and inclusive surgical community, we not only enrich our profession, but also improve patient care and outcomes.
As we move forwards with this work, we envision a future in which diversity, equity and inclusion are not merely words, but guiding principles that shape every facet of our College. We are committed to fostering an environment where individuals regardless of their background, identity or experience feel a profound sense of belonging. Together, we will continue to build a surgical community that values and embraces diversity in all its forms, leading the way for the future of surgical excellence.

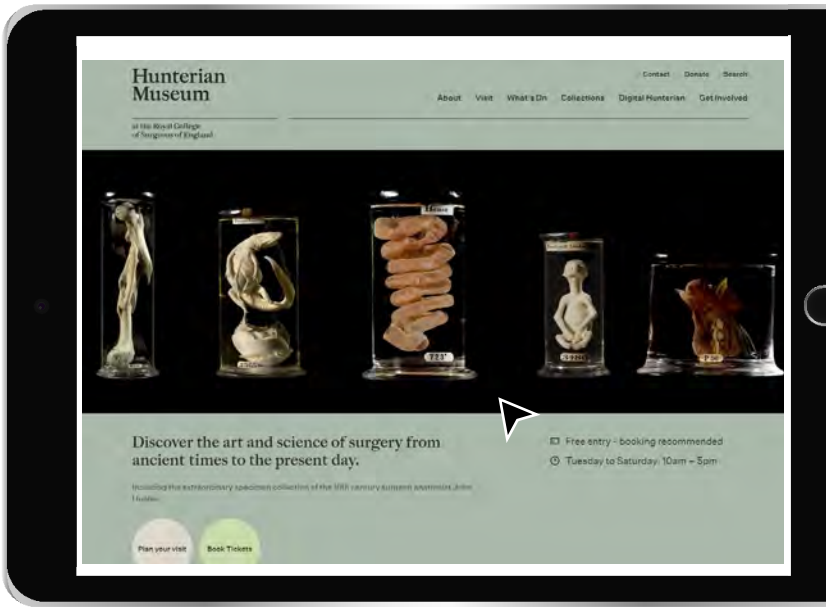
The flagship Future Surgeon's Conference, which ran as a hybrid event, had a strong global presence with 24 of the 61 universities represented being international

Together, we will continue to build a surgical community that values and embraces diversity in all its forms

Our commitment to DEI will continue to be a driving force, ensuring that collaboration, respect and excellence are the cornerstone upon which the College stands

Transforming our College

Our digital transformation journey is well underway with the setting up of a comprehensive Essential Digital Skills programme designed for everyone to engage with and develop and transform their digital skills. We have launched a unique accelerator programme which will provide a critical community in the College to accelerate change from within. The programme comprises a variety of formats using a range of cutting edge digital disciplines that will drive the College forward and ensure we remain at the forefront of our field, while investing in our own staff.



A central plank of our IT transformation agenda is the implementation of a new customer relationship management system and, in due course, an enterprise resource planning platform. The College has chosen to build these software solutions using the Microsoft Dynamics 365 cloud-based suite of integrated applications. This is a major and complex undertaking, one which will transform how we do business, ensure that we deliver excellent customer experiences, and become a more agile and data intelligent organisation. After an initial development phase had to be halted during the pandemic, we have engaged Telefonica Tech as our new partner, which has given us an opportunity to further improve our process design and optimise our use of the functionality of Dynamics 365. Our transformation programme during the next year will include vital development of our website platform as part of our overall objective to deliver a better member experience.

Accompanying the opening of our brand new Hunterian Museum in May, we launched a new tailored website for visitors to the museum. The website provides great digital content celebrating the museum, the collections, events and exhibitions; digital access guides are available with useful insight and information ahead of one's visit. The new website offers an excellent opportunity to encourage interest and engagement with the story of surgery, enrich the visitor experience and increase our reach with the wider public.

Promoting public and professional engagement

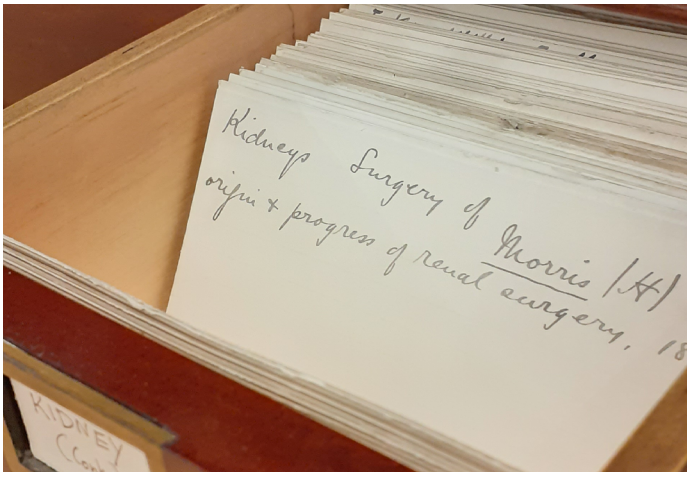
Library and archives

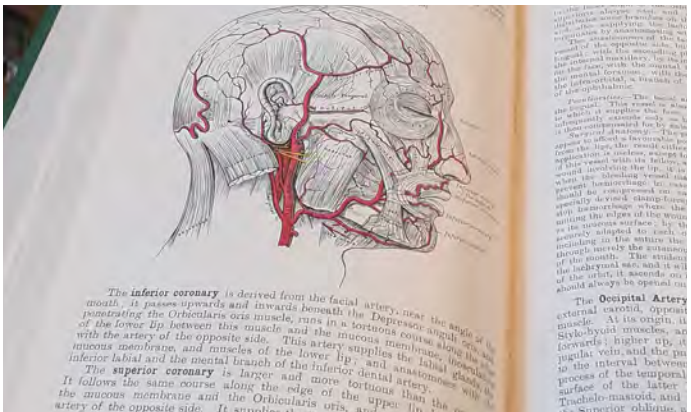
Following the return of the library and archives collections to the College in 2021–22 and the opening of the new Members' Library and Research Room in December 2021, one of our main priority activities during 2022–23 has been to extensively promote and raise awareness of the wide range of library and archives facilities, services and resources that are available to members and fellows, College staff and other audiences. In addition, we have continued several ongoing strands of work and commenced a number of new tasks aimed at extending the scope, reach and impact of our core service offer. Our principal marketing and promotional activities during the year have included:

- In-person attendance at various regional College and external events, conferences and meetings.
- Targeted use of social media; for example, LinkedIn and Twitter, as well as a new Library Instagram account.
- An online promotional campaign to promote our literature search service to members and fellows.
- Development and phased roll-out of new online guides (LibGuides) to publicise all of our services.
- Displays of rare library books and archival materials at a number of events hosted at the College.
- Several articles about the Library published in the *Bulletin*, external publications and online blogs.

These activities have contributed to more frequent and regular use of all library and archives facilities, services and resources by members and fellows and other users throughout the course of the year. In total, 697 visitors made use of the Members' Library and Research Room during 2022–23, a significant increase on the number of visits recorded during our first six months of operations, from December 2021 to June 2022. As well as in-person visits, 501 remotely submitted archives-related enquiries and 318 library-related enquiries were also received and answered during the year, which is approximately one-third more than the number of enquiries received during the previous year.

In response to the increase in visitor numbers, a decision was taken to extend library opening hours from three to four days per week, as well as by an extra two hours on Council days. We also joined the SCONUL Access Scheme, which provides College members and staff with access to more than 175 other academic and





research libraries across the UK and Ireland, and this has proved to be a popular service.

College purchased and subscribed electronic resources (databases, e-journals, e-books and anatomy applications) also continued to be heavily used by members and fellows, with more than 115,000 separate logins for electronic resources having been recorded in total by members throughout the year.

College electronic resources have recorded ***115,000*** *unique logins over the past year*

Following the conclusion of a three-month campaign to promote the literature search service, the Library's Evidence Support Team also saw a rise in literature search requests from members, with the highest number of monthly requests in recent years having been received in March 2023. In total, 131 literature searches were undertaken during 2022–23. In addition, 65 specialty updates were sent out during the course of the year, which had an average recorded open rate of 54%.

Over the 65 specialty updates sent out this year, we recorded a ***54%*** *open rate.*

In January 2023, the Evidence Support Team concluded a two-year external commercial project. Following this, a lessons learned review was undertaken and a plan was drawn up to develop a new information specialist consultancy service aimed at generating further external income for the College. This plan was approved by the College and work to develop and initiate this service has commenced.

March 2023 recorded the highest number of monthly requests in recent years, and ***131*** *literature searches undertaken in 2022-23.*

Another key achievement during the year has been the development of the Voices of Surgery oral history project. The initial pilot project, consisting of seven interviews with surgeons, was completed during the year, with the interviews being linked to the Library webpage. The project has now become a permanent activity, with external funding having been committed to conduct further interviews.

Plarr's Lives of the Fellows *now has* ***10,238*** *biographies available online, with 678 images of surgeons added.*

Work on *Plarr's Lives of the Fellows* has also continued throughout the year. A generous donation was received from Professor Chris Stephens to fund the incorporation of biographies of dental fellows within *Plarr's Lives*, and this work has now started and is ongoing. In total, 10,238 biographies were available online by June 2023, with 678 images of surgeons also having been added to biographies.

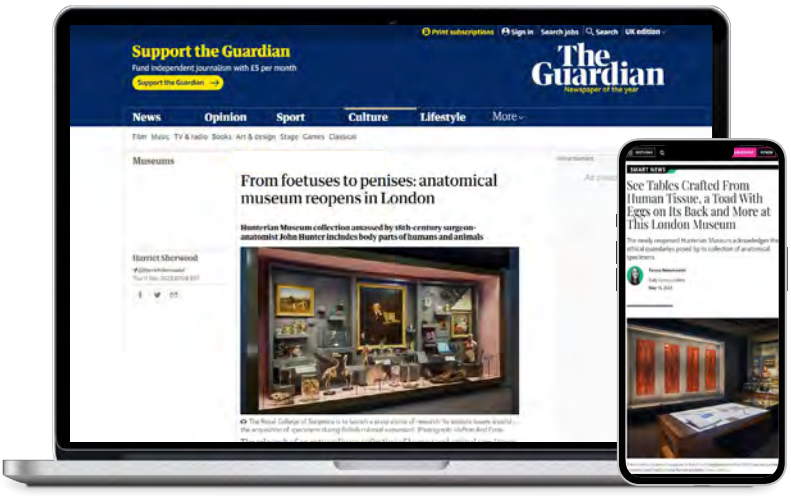
During the second half of the year we launched the new Henry Lumley Collections Engagement Grant, which was established as the result of a bequest to the Library from the late Henry Lumley. The grant will facilitate new research into the library and archives collections and will help to raise awareness of the collections among the research community and the wider public. The inaugural £3,000 grant was advertised in April 2023 with the funds awarded to the successful applicant in July.

In February 2023 we submitted a funding application to the National Lottery Heritage Fund for a large-scale, multi-year library and archives digitisation and engagement project. The Fund has asked us to consider widening the scope and scale of our project with particular focus on expanding its public engagement themes and we are currently working up a revised application.

Museum collections and services

The new Hunterian Museum opened to the public on the 16 May 2023 following the fit-out and object and specimen installation of the museum between September and April 2023. In all, 90% of high value paintings and objects stored with fine art specialists Constantine were returned to the College for installation in the new museum. The Human Tissue Authority issued a public display licence for human tissue specimens displayed in the Hunterian Museum.

Several special previews of the Hunterian Museum, hosted by the President and Council and the Hunterian Collection Board of Trustees, took place for donors, contributors, Hunterian Banquet guests, specialist surgical groups and museum sector colleagues. More than 30 biotech companies generously contributed new objects for display. The museum is free to enter and an advanced reserve ticketing system was set up online to manage visitor numbers. In total, 30,000 people visited in the first three and half months.



Extensive press and media coverage, nationally and internationally, for the new Hunterian was overwhelmingly positive. A new Hunterian Museum website was launched in April 2023, generously funded through the Macrae-Webb Johnson Fund, and new and refreshed social media channels, Facebook, Instagram, Twitter and YouTube, went live the same month. Follower numbers have increased fourfold and the museum's "beyond walls" presence has been significantly enhanced.

The Anatomy and Pathology Museum facilitated revision sessions for MRCS Part B candidates in addition to medical professional, students and health and wellbeing groups. The new VLE (Virtual Learning Environment) anatomy learning resources, linked to the Anatomy and Pathology Museum collections and developed with subject specialist experts, was made available to College members remotely through secure online connections in March.

Trials for a new Hunterian Museum schools programme, due to launch in spring 2024, were undertaken throughout the summer. Museum services for research and image provision and licencing continued throughout the period.

With the long heralded reopening of the Hunterian Museum bringing increasing numbers of new visitors to the College's Lincoln's Inn Fields home, we have taken the opportunity to trial tap-and-donate devices. These devices from a specialist supplier invite donations via card or smart device instead of cash. With an overarching "admission free, donations welcome" message, the trial has proven that an additional £3,000 per month in voluntary donations is possible.

Our change plan to become a fully legacies-confident organisation is continuing and will extend into the next financial year and beyond. The College has a successful track record in legacy gifts and by promoting awareness of how our work has been positively impacted by posthumous gifts we can build on this success in a strategic manner.

We are very grateful to members of Council who have championed our ongoing efforts including appeals, as well as those who have given generous personal donations and all will be appropriately recognised within the building.

We extend our gratitude to all our donors and supporters and to those who have remembered us in their wills with gifts totalling £0.9m this year.

Fundraising

We receive significant charitable funds every year from our donors and supporters. These funds support a comprehensive range of projects and activities undertaken in pursuit of our charitable objectives. This year we raised more than £4.9m for surgical research, learning, and a number of new and ongoing noteworthy initiatives.

The refurbishment of our London headquarters brings new fundraising opportunities. This year, we have developed a proposal to secure Founding Corporate Patrons for the new building. These Patrons will share our interest and vision to advance surgical standards, inspiring and supporting the medical profession. This shared interest will bring investment to the College with £1m to be committed over five years by each Patron, of which up to 50% can be allocated to gift-in-kind products and services to support our ambitions in the new building and beyond.

We are delighted that Karl Storz UK have become our first Founding Corporate Patron. They have also committed to a donation of instruments for the new Hunterian Museum exhibits and we are very grateful for their passion, expertise and generosity.

Former fundraising manager Nicola Extance-Vaughan and husband James took part in several races for charity on behalf of the College.

Since occupying the building, we have focused on our commitment to DEI and have introduced the provision of free period products and multi-gender toilets in the building. We are commited to making our building feel welcoming and inclusive to all

Our new home of surgery

The Hunterian Museum reopened to the general public on 16 May 2023 with 13,743 visitors welcomed by the end of June. This exciting public development, which remains free of charge, has proven a delight to our visitors. Our professional surgical centre for learning and examinations retains good occupancy and feedback.

Our sixth-floor conference and events venue, “The View”, has provided a wonderful space in which to celebrate our diplomates in a joyous ceremony shared with their families and friends. The conference venue and our other hospitality spaces have also been extremely popular with outside organisations, and we are seeing a pleasing number of organisations wishing to come back and hold more events at our venues. The success of these activities is helping to raise the public profile of the building and the College.

Since occupying the building, we have focused on our commitment to DEI and have introduced the provision of free period products in all female and multi-gender toilets in the building.

We are committed to making our building feel welcoming and inclusive to all. This has led us to commit funds to commission artists to provide contemporary, diverse artwork and portraiture, particularly in our public areas. We have further work around visitor feedback planned to enhance the experience in future years.

The Board have reviewed the space across the College and are seeking to consolidate working areas across one floor, given the opportunity to commercially let another staff-occupied floor.

Looking ahead

Looking forward to the year ahead, we will continue to focus on transforming the College for the benefit of our members, and supporting them in their working lives to provide the best possible care for their patients.

During 2023–24, we will review our strategy and operations in response to our membership survey. We will continue to have a strong focus on DEI, including the recommendations for Council make-up and how Officers are elected. In addition, we will begin our work to address the scourge of sexual misconduct in surgery.

We will continue to ensure that our new building is both welcoming to our whole membership and works hard to generate benefits for the College.

Financial review

This year has been one of both consolidation and progress as we continue on our transformation journey to deliver a financially sustainable and forward-thinking professional membership organisation. Our financial results continue to carry some residual impact from the disruption caused by the pandemic years, but we are seeing a steadier and more stable recovery in our underlying revenues, with some revenue streams now clearly moving ahead of pre-pandemic levels, and an increasing contribution from new commercial activities as part of our key strategy to diversify our revenue base. This has provided an important contribution to the overall improvement in our financial performance achieved despite the increases we have seen in our costs, in part driven by the high inflationary conditions that have prevailed throughout the past year.

We have posted a net expenditure position this year of £2.45m (2022: £7.6m) including a small net gain on our fixed asset investments of £0.11m (2022: £1.24m loss), representing a £5.15m turnaround from the previous year. Total funds managed have moved down to £135m (2022: £137.5m).

This is the second full year in which we carry the significantly higher depreciation charges associated with our redeveloped freehold property. If we discount these, the FRS 102 pension liability and employee benefits adjustments, the cost of debt and an exceptional one-off fixed asset write-off following changes to the delivery of our IT transformation programme, we can see that, despite the economic stresses on our underlying activities, we are reporting an underlying surplus of £2.2m for the first time since 2021. This represents an improvement of £2.6m on our 2022 underlying operating position. This is set out in the table below.

Underlying position	2023 £000	2022 £000	Change £000
Net income/(expenditure) before investment gains/(losses)	**(2,564)**	**(6,362)**	**3,798**
Faculty of General Dental Practice discontinued operations	-	808	(808)
Freehold property depreciation	2,397	2,357	40
Fixed assets written off during the year	1,298	-	1,298
FRS 102 pension liability change	(105)	1,603	(1,708)
FRS 102 Employee short-term benefits accrual change	305	332	(27)
Debt interest	888	888	
Underlying net income/(expenditure)	**2,219**	**(374)**	**2,593**

Restricted and endowed activity levels can vary quite significantly from year to year. A 13% rise in our restricted and endowed income, while related expenditure has lowered, has provided £1.5m of the £2.6m improvement from 2022, helping to replenish restricted funds after several years of gradual depletion.

£1.1m of the improvement flows from our unrestricted activity, where we have seen a much stronger recovery in our income levels compared with the previous year. Although expenditure has also risen, the income improvement has helped to raise the underlying surplus to £2.4m (2022: £1.3m). These results and changes from 2022 are summarised in the table below.

Underlying position	2023 £000	2022 £000	Change £000
Underlying income	33,545	28,084	5,461
Underlying expenditure	31,326	28,458	2,868
Underlying net income/(expenditure)	**2,219**	**(374)**	**2,593**
Net contribution/(loss) as percentage of income:	7%	(1%)	
Unrestricted funds	2,406	1,307	1,099
Restricted and endowed funds	(187)	(1,681)	1,494
Underlying net income/(expenditure) by source of funds	**2,219**	**(374)**	**2,593**

A net unrealised loss on revaluation of £1.23m on investment property, reflecting challenging London property market conditions, offset by an improved investment performance returning net unrealised gains of £0.55m, has further reduced unrestricted funds, which now stand at £90.5m, 3% below the 2022 position (2022: £93.6m). Endowed funds have reduced by 1% to £38.6m. Funds applied are 11% below 2022 levels but together with other charges, these exceeded the investment contribution of £1.2m including net unrealised investment gains of £0.75m. Restricted funds have seen a 24% increase rising by £1.1m to £5.9m largely because of the injection of new funds of £1.3m received for the NATCAN that was launched in October 2022.

Underlying income

Income has risen by 19% or £5.5m to £33.5m, with a set of strong rises showing across all our principal income groups.

Change in underlying income from 2022

Charitable activity income has risen by 15% or £3.2m, driven primarily by much stronger exam revenues which are up by £2.75m. A backlog of candidates that had developed during the pandemic period and the introduction of a new operating model for the MRCS Part A exams towards the end of the 2022 year has led to a much higher number of candidates being assessed in 2023. By contrast, we have seen a £0.85m drop in course income this year due to a number of factors. 2022 benefitted from £600k of income in respect of legacy courses that the FDS agreed to deliver following the departure of the Faculty of General Dental Practice (FGDP). The majority of these courses concluded in 2022. Course delivery has also been disrupted by transport industrial action and NHS winter pressures giving rise to a number of course cancellations and rescheduling with a comparatively higher level of income being deferred into the 2024 year. Our digital course demand is also showing a return as expected to lower pre-pandemic levels. Our subscription income is 2% up on 2022, with membership fees up by 2% and overall membership numbers inching up 1.5% to 25,469. Intercollegiate exam contributions have risen this year, driven largely by the increased cost of the new MRCS exams delivery model, contributing to the rise of £1m in other charitable income in 2023.

Investment property income has contributed to the sharp rise in investment income this year standing at £0.9m (2022: £0.17m) following the leasing of the second floor midway through 2022; this year benefits from a one-off adjustment to recognise revenue from the start of the lease instead of from the end of the rent-free period. Investment income in respect of the endowed funds portfolio is also higher this year. Overall investment income remains significantly lower than in previous years reflecting the shift to a longer term asset allocation strategy being pursued by our investment partners, J.P. Morgan, which places greater emphasis on capital appreciation.

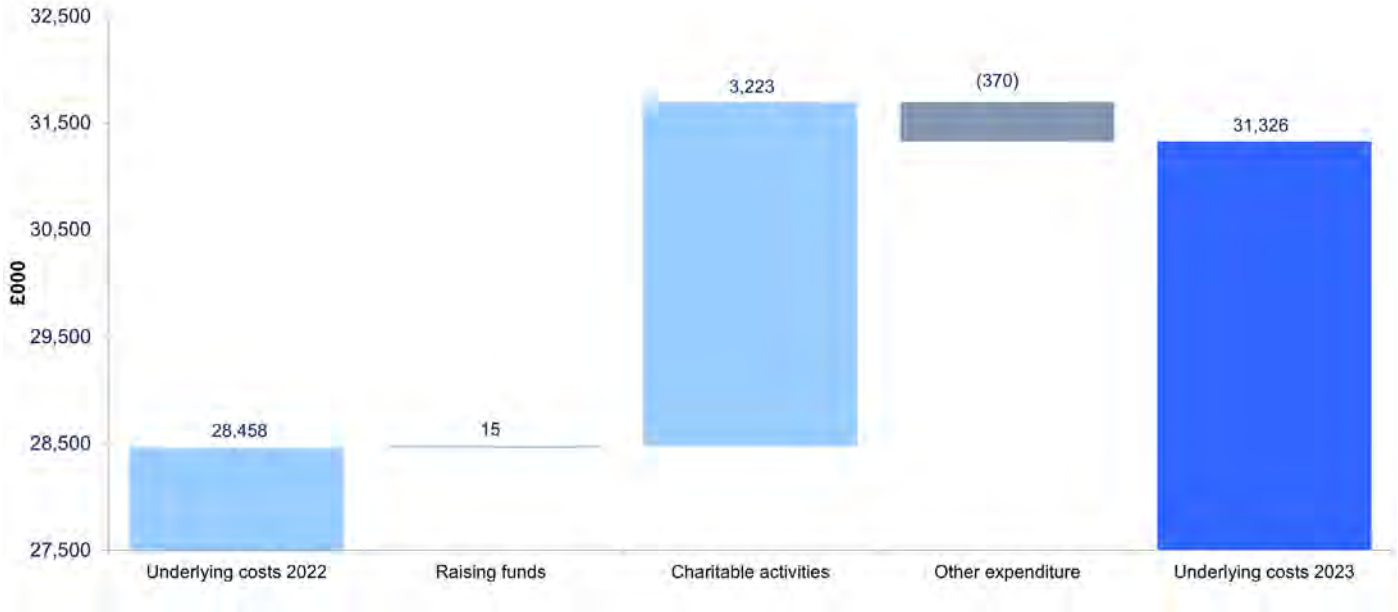
We have also reported a substantial increase in trading activity income from our new conference and events venues, as well as from new corporate sponsorship that has been successfully secured. The £1.3m of new funds in support of

the new NATCAN has helped to boost grants, donations and legacies by 12% to £5.9m, although share of income has nudged down to 18% (2022: 19%). Charitable activities represent 74% of income this year (2022: 77%), investment income as a share of income rose to 5% and trading activity increased its share to 3% as we continue to build up our commercial activities.

Underlying expenditure

Underlying expenditure has risen 10% or £2.87m to £31.3m with unrestricted expenditure up 17% or £3.7m on 2022 levels to £25.45m. This includes a 20% rise in unrestricted charitable activity expenditure reflecting the increased cost of doing business in the prevailing inflationary environment, as well as further targeted investment in support of revenue growth and our strategic activities as we reposition ourselves in a post-pandemic world.

Change in underlying expenditure from 2022



Our course and exam portfolios continue to evolve as we seek to differentiate our offer in what is a highly competitive landscape. Overall underlying expenditure is more than 14% up on comparable 2019 pre-pandemic levels. We have reported higher costs across most expenditure areas including professional and public engagement, reflecting the investment made in the preparations for the opening of the new Hunterian Museum in May 2023.

Much of our programme of professional activity as outlined in the Trustees Report is supported by our restricted and endowed funds. Total expenditure against these funds has fallen by 13% to £5.8m (2022: £6.7m). Our programme of Research and Clinical Effectiveness projects has delivered £4.3m of activity this year (2022: £5m). The overall number of research awards granted remained at 80, although there were fewer fellowships awarded this year compared with last year.

Net assets

Net assets have decreased by just under 2% or £2.45m to £135m. Fixed assets decreased by £3.9m with property assets losing £1.2m in value and investments moving down by a net £0.77m. Capital additions of £2m include £1.1m of cost of works in respect of the Hunterian Museum, but there was also an exceptional write-off of £1.3m this year in respect of IT software assets. The College's landmark building is depreciating currently at an annual rate of approximately £2.4m. All components except freehold property will have been fully depreciated after 25 years. The long-term loan of £40m financed completion of the capital works. Cash holdings have decreased by £2.6m, debtors are £3.7m higher at almost £9m, current liabilities are 2% lower at £15.9m, and the current ratio has increased to 1.08 from a borderline 1.0 in 2022.

Hunter Trading Limited

Our financial statements consolidate the results and financial position of our wholly owned subsidiary, Hunter Trading Limited (note 15). The company has delivered a profit of £619k for the year (2022: £87k). 2023 is our second year of trading and it has been a highly successful one for our new conference and events venue, "The View", as well as for our other iconic and unique venue spaces. Our catering and events partner, Searcys, has successfully promoted our offer throughout the year, and market interest and bookings have continued to rise. Commission under the profit share arrangement became receivable for the first time in this year but nevertheless the excellent trading performance has exceeded expectations.

Financial outlook

We embarked upon our journey of transformation more than five years ago. Our prestigious redevelopment overlooking Lincoln's Inn Fields represents the first major success of our transformation strategy. We now have a smart physical space that offers state of the art facilities and opportunities to use cutting edge technology to enhance our professional education and assessment offer and provide excellent commercial opportunities that can generate returns to be reinvested in support of our professional and charitable agendas.

Our new Hunterian Museum opened in May 2023 to great acclaim and attracted considerable global interest. The opening represented the successful conclusion of the redevelopment programme of our estate. Since its opening, the museum has welcomed a steady stream of visitors through its doors, helping to create a thriving public space on the ground floor and bringing additional custom to both our café and retail shop facilities.

The global pandemic caused enormous disruption to our day-to-day business operations with unprecedented constraints placed upon business activity both within the UK and globally. Since this time, we have been successfully building back up our revenues and activities, taking advantage of the opportunities this recovery period has presented to redesign and reshape our business models. The road to recovery has been complicated by the additional challenges of economic uncertainty and high inflation that has increased the general cost of operations and depleted the value of our investments in the short term. Despite these difficulties, we have delivered a much improved underlying financial performance this year.

This next year will continue to be one of consolidation and investment in change, developing our understanding of demand trends in current and new markets so that we can continue to provide a competitive, valued and relevant offer to our members and prospective members. We will continue to expand and develop our revenues streams, extending our global reach, investing in and promoting the dental exams offer, attracting new sponsorship schemes and working with our commercial partners to develop and improve our venue packages so that we maintain and grow demand for our excellent event spaces.

While we continue to develop how we use our physical space for the benefit of our members, our staff and the general public, we are progressing with our transformation strategy in the digital space. This is a complex endeavour that requires substantial investment of our time and our funds to secure success. Delivering our transformation strategy is pivotal to securing financial profitability and financially sustainable surpluses over the longer term. Digital transformation will enable us to deliver better services and to broaden our reach, fostering greater engagement, accessibility and inclusivity. It will also transform the College into a technologically smart, cost-efficient and cost-effective operation.

Economic stress and uncertainty will remain as interest rates stay high, strong domestic wage growth keeps inflation high and economic growth is expected to be sluggish over the medium term. Inflation is not expected to return to the long-term 2% Bank of England target before the end of 2024. Within this challenging economic environment, it remains vital that we continue forward with our transformation plan to deliver a new business model that provides strong and sustainable surpluses through a diversified revenue base and a value for money cost of operations that, critically, provides the finance to meet our debt repayment obligations which fall due in three years' time.

The financial position of the Universities Superannuation Scheme (USS) and the ongoing level of support it seeks from employers has been a constant source of concern in recent years. As a result of the 2020 valuation, the liability we disclose in respect of this scheme remains at a significant level. However, the latest funding position set out in the 2023 valuation exercise which is underway, and which indicates that the scheme is now in surplus, augurs well in terms of future employer and employee contribution levels. We remain alert to the possibility under the scheme's Monitoring and Actions Framework that short-term corrective actions such as higher contributions or accelerated valuations could be taken in the event that the scheme's funded status is impacted adversely by market volatility.

We will continue to support employer representatives in their efforts to keep the cost of pension benefits at an affordable level.

Reserves policy

Our reserves comprise unrestricted funds, restricted and endowed funds. The restricted and endowed funds result from grants, donations and legacies that can only be applied for a purpose specified by the donor or grantor and are not available for general purposes. We aim to carry out the activities and projects supported by these funds on a timely basis in accordance with the purposes and conditions specified. Restricted and endowed funds total £44.5m at 30 June 2023 (notes 17 and 18).

The unrestricted funds represent the accumulated surpluses generated from general business activities and are funds that are available for use at the discretion of the trustees. They comprise fixed asset funds, designated funds and general funds.

Fixed assets fund

The fixed assets fund comprises the funds invested in fixed assets that the trustees consider essential in enabling the College to implement its operational strategy effectively. The fund represents the net book value of unrestricted tangible and intangible fixed assets and net of associated long-term loan funding. We held £68.2m in fixed assets fund at 30 June 2023 (2022: £70.1m). The fund includes £0.94m of assets in the course of construction in respect of the digital transformation programme to redesign our systems landscape. The fund also includes the £4.2m of historical cost in respect of the leased second floor, which is accounted for as an investment property.

Designated funds

Designated funds are funds that the trustees have earmarked for specific purposes. We designated £1.5m in 2021 to support the next phase of digital transformation and new systems investment. £466k has been expended on digital transformation in the year to 30 June 2023.

General funds

In accordance with Charity Commission guidance, the trustees set a target range for the level of free reserves, or general funds, that the College should maintain to ensure its financial security and funding of its business plan. Free reserves or general funds are defined as total unrestricted funds less fixed assets and designated funds. The trustees determine that a prudent target range for the College's free reserves is between 75% and 100% (ie, between nine and twelve months) of gross annual unrestricted operational expenditure. This equates to a target range of £22.7m to £30.2m for 2022–23.

This range is set taking into account:

- the risk of fluctuating income and expenditure levels;
- the risk of an unexpected need for funds;
- the need to provide working capital for the College's current operational and future development activities;
- the need to meet its annual obligations under the long-term loan arrangement in place since 2020;
- funding shortfalls in the USS and Superannuation Arrangements of the University of London (SAUL) defined benefit pension schemes and future increases in employer contributions to eliminate these shortfalls.

General funds stand at £21.85m at 30 June 2023. This represents a rise of £0.4m or 2% on the previous year (2022: £21.4m). This represents 72% (2022: 77%) of unrestricted operating expenditure and stands just below the minimum of the target range. An allocation is made from general funds to provide for the pension liability, which represents the discounted value of the deficit funding contributions. This does not imply a significant constraint over the use of reserves for the foreseeable future other than to ensure monthly contributions are met and budgeted for accordingly. Net expenditure, including this year an unrealised gain on market investments, amounted to £1.8m. Allocations from the general fund to the fixed asset fund and the investment property revaluation reserve combine to recover the general funds position by a net £2.2m.

We remain in a period of economic challenge and financial stress. As we build back our core activities post-pandemic, the College is steadfast in the pursuit of its longer term objectives of financial sustainability, so that it meets its future annual debt obligations and ensures that it maintains an appropriate level of free reserves to enable the College to withstand future unexpected events as well as deliver on its priorities.

Fundraising

The College aims to raise funds in accordance with best practice and in an open, legal and fair manner, and has effective systems in place to monitor and maintain these standards and ensure communications with supporters are undertaken in a considered and balanced manner.

We are registered with the Fundraising Regulator and undertake our fundraising activities with reference to the Code of Fundraising Practice. We review each year our data protection processes to ensure full compliance with the General Data Processing Regulation (2018). We do not engage commercial partners or volunteers to raise funds on our behalf. If complaints and concerns are raised, these are taken seriously and responded to promptly and handled in accordance with the College's complaints procedures which are available on the website. We did not receive any complaints in respect of our fundraising activity in 2022–23 (2022: nil).

Investment policy

We invest for the long term and we invest to generate the best overall returns from our unrestricted and endowed funds to support both ongoing operational activity and activity undertaken in line with the specific purposes of the endowed funds. We seek to achieve this through diversified risk-controlled investment. We have adopted a total return strategy for all of our invested funds and a more global and broader asset allocation strategy to ensure that we continue to achieve the best returns going forward in what is a changing investment landscape.

Both portfolios are expected to deliver a minimum long-term total return of CPI plus 4% and to provide sufficient cash to support relevant annual expenditure commitments. Our investment partnership with J.P. Morgan is in its fourth year and they have continued to take action during the year to pivot the portfolios towards our long-term asset investment strategy reflecting greater geographical and asset class diversification.

Our statement on ethical investing was issued in 2021. This sets out our clear commitment to sustainable and responsible investing and strengthens our commitment to divesting from fossil fuels. We seek to divest from all exposure in fossil fuels by 2030 and will build up our investments in green energy renewables and infrastructure in support of the green economy. This statement is fully endorsed by our Council members.

We have adopted an environmental, social and governance (ESG)-integrated investment model to deliver on our ethical investment commitments. Our investment approach excludes direct investment in fossil fuels, tobacco, alcohol, controversial and conventional weapons, and we aim to minimise our levels of indirect exposure to these sectors through regular ethical screening and careful selection of fund managers with strong ESG credentials. We consider that our ESG-focused investment approach will enable us to meet our long-term return profile and therefore provide the funds to support our professional and operational objectives.

Short-term cash not required to support general operations is placed on short-term fixed term deposits with approved financial institutions.

Investment portfolio performance

The Finance and Investment Committee oversees all matters pertaining to financial planning and performance, including investment management, and advises and reports on a regular basis to the Board of Trustees on the performance of the investment portfolios and the appointed fund managers.

Both portfolios are managed on a total return basis and are structured to enable the College to continue to receive an annual cash distribution of up to £2m to support its ongoing operations and restricted activities. Greater focus is therefore placed on overall investment performance rather than on earning investment income. The investment portfolio delivered an overall unrealised gain of £1.34m compared with a loss of £1.83m in 2022. Portfolio income rose to £0.67m this year (2022: £0.52m). A cash distribution of £2.39m was made at the end of the year, comprising £1.5m

against the restricted and endowed portfolio to replenish operating cash balances for endowed fund expenditure, and £888k against the unrestricted portfolio to finance the annual debt interest. The net return before divestment was 2.6% but the final return net of fees was −1.2% for the year (2022: −6.4%). The portfolio has performed well following the market turmoil of 2022 and the testing economic conditions and geopolitical challenges that have continued to play out.

Total return accounting

The College adopted total return accounting for its permanently endowed funds in 2014–15. A base date of 24 June 1992 was approved for determining the permanent capital value of the endowed funds, based upon the market value of the permanent endowments at that date and the original value of any subsequent additions. The value of these investments was frozen and classified as frozen permanent capital and the remaining value of the investments was classified as unapplied total return.

We seek to preserve the value of the endowments in real terms over the medium to long term. A target spending rate of between 3.5% and 4.5% of the value of the endowments is considered achievable without diminishing the value of the portfolio in real terms and represents our best estimate of the long-term real rate of return on the endowments. This target range is kept under review to ensure that it remains appropriate.

A total of £1.49m was applied in the year to fund restricted expenditure, and together with investment management fees of £234k, the total applied from the endowed funds was £1.72m. This represents an application of 4.4% in the year, which is just 0.1% below the top of the target rate range. The cumulative total applied since the adoption of total return accounting remains just below the cumulative maximum target level for this same period and we will continue to need a strong investment performance over the long term if spending plans are to continue at current rates.

Key management personnel

Key management personnel are defined as members of the Executive Team and Directors as set out on page 43 of the Trustees' Report.

The People and Culture Committee oversees matters relating to structure, composition and effectiveness of the Board, and provides assurance to the Board that the College has an effective strategy to deliver an effective and high-performing workforce. The Committee oversees issues relating to the remuneration of staff with specific responsibility for making recommendations to the Board regarding overall remuneration policy, including approving salaries and conditions of service at director level and above. The Committee receives recommendations from the Head of Human Resources based on a detailed market review benchmarked to similar organisations carried out biannually, as well as through the annual performance appraisal process. Based on this advice, the Committee makes recommendations to the Board on the remuneration and benefits of the Chief Executive Officer and other senior post holders.

Details of remuneration for the year ended 30 June 2023 are set out in note 8 of the financial statements.

Risk management

The Board of Trustees views robust risk management and control as fundamental to support the College in defining and achieving its strategic objectives. The College operates a "three lines of defence" model, has a separate risk and compliance function, and an independent internal audit. All risks have a clear owner and are measured, mitigated and monitored. The Board of Trustees is ultimately responsible for the management and control of the College's risks and sets the College's risk appetite. The Board has overall responsibility for ensuring that we have appropriate and adequate risk management processes in place to support the delivery of our strategic plans. Trustees regularly review and assess risks across all areas of the College's activities.

The Audit and Risk Committee is responsible for advising the Board on statutory financial reporting and for overseeing and reviewing the systems of financial governance and risk management. These systems are designed to manage rather than eliminate risk and to provide reasonable assurance that mitigating actions are adequate. Trustees have delegated elements of the risk management process to Audit and Risk Committee, staff members and professional advisers but set the risk appetite statement. The Audit and Risk Committee is responsible for the appointment of the internal and external auditors.

During this year the Audit and Risk Committee has continued to oversee refinement and improvement of the College's approach to risk management, and the Board of Trustees has in place a robust framework consisting of our new risk management policy, our risk appetite statement, and departmental, project and corporate risk registers.

Council is responsible for all substantive matters relating to professional and public policy in respect of the mission and strategic aims of the College and those that support the College's members. Council delegates some of its powers and functions to subcommittees and other groups. Risks are reported to trustees and Council through Audit and Risk Committee.

The Chief Executive, supported by the wider executive director team, is responsible for ensuring that risk management procedures are in place and that departmental and project risk registers are regularly reviewed and that key risks and risk movement are reported appropriately. Every member of staff is responsible for managing risk as part of their daily role.

We have identified what we consider to be the key risks and challenges for the College during this period:

Risk	Mitigation
Financial resilience: Recovery of income streams following the end of the pandemic, world macro-economic events, cost of living pressures on staff. Safeguarding the Charity's assets.	• Long-term strategic financial planning model provides a forward view of the operating position, cash flow and reserves, and early identification of performance pressures and options to redress position. • Trustees approve an annual financial plan and budget to ensure the College remains financially strong and is able to continue to meet the needs of our members during the pandemic. • Annual reforecasts take place and are reviewed and discussed in detail at Finance and Investment Committee meetings. • Close monitoring of cost of living and inflation impact and higher interest rates on staff and members.
Organisational and building transformation.	• The plan to redevelop our estate formed a central plank of the transformation programme. The strategic, financial and operational risks were subject to rigorous oversight and planning. Risks were identified and mitigated to ensure an operationally efficient, technologically smart and financially sustainable organisation. • Transforming the Building Programme plan identified all necessary tasks and dependencies for delivery. This was closely reviewed and progress monitored by trustees, the Audit and Risk Committee and the Finance and Investment Committee. • Effective professional support was identified to ensure that optimum value is delivered for the College, its membership and its external stakeholders.
Meeting regulatory obligations.	• Detailed departmental risk register identifying risks and mitigations, managed by information governance manager • Mandatory e-learning training course (information security and data protection) must be passed by all staff annually. • General Data Protection Regulation (GDPR) awareness raising to ensure that staff are familiar with policies and guidance and the data protection officer as point of contact for advice. • The Information Governance Steering Group was refreshed. Reporting to the Executive Directors team, it ensures regulatory requirements are reviewed regularly and implemented operationally.
Separation of the Faculty of General Dental Practice to establish the College of General Dentistry.	• Two years has passed since separation and the College is satisfied that the grant monies provided were spent in accordance with the terms and minimal reputational risk remains.
The cost of living impact on staff.	• Regular communication with staff. • A full review of terms and conditions has been undertaken introducing a more flexible approach to working and improvements. • Organisational diagnosis undertaken by external consultancy. • Mental health first aiders introduced.

A number of emerging risks were identified and informed the development of the College's five-year strategy.

A clear and focused strategy

Our five-year strategy 2021–26, Changing the Face of Surgery sets out our vision of excellent surgical care for everyone, and we aim to achieve this by enabling our diverse members to deliver excellence in everything they do. Throughout implementation we will focus on the risks that may impact our ability to deliver our strategic aims including continued pressures on the NHS and regulatory changes. Our strong governance and engagement framework will also help to ensure we are able to respond to and manage any risks to our strategic objectives.

Digital capability

We are investing to ensure that our IT transformation is fit for purpose and supports the College's strategy and future growth plans. This includes a new customer relations management system and a new website to enable optimum user experience.

Our digital capability will underpin the wider College strategy and allow us to meet our strategic objectives ensuring our members are able to engage with us easily.

Diversity and inclusion

The College commissioned an independent review on diversity and inclusion led by Baroness Helena Kennedy KC. This is a key element of our strategy that focusses on promoting diversity, inclusion and fairness both within the College and across the surgical and dental profession, embracing difference and ensuring that our profession and the College remain at the forefront of patient care.

Going concern

The financial statements have been prepared on a going concern basis. Although the College has returned a reasonably strong performance for 2022–23, the ongoing economic uncertainty, both within the UK and globally, continues to present financial challenges in terms of the impact of a rising cost of operations on our margins and the potential for instability in our revenue base. It is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2025.

The College prepares its annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to its revenue streams before the plan is finalised and approved. This next year will be one of consolidation and progress as the College continues its work to reshape the organisation, develop and broaden its revenue base, including new commercial revenue, and to build and strengthen its membership offer to meet the needs of both the surgical and dental member communities. Revenues have recovered well following the pandemic but margins have narrowed significantly as a result of the ongoing inflationary environment. It is therefore vital that the College's transformation agenda is driven forward and a new business model is developed that positions the College to compete effectively in its marketplace and deliver longer term financial sustainability.

The College has updated its long-term revenue and cash projections for its latest results, annual plan and other expected changes in its operating position over the next 18 to 24 months. The projections are stress-tested and set the minimum long-term operating surplus target that the College must achieve to meet its interest and repayment obligations in the medium to longer term. With £40m of long-term financing secured in November 2020 the College has sufficient cash reserves to support its general operations over the next 18 to 24 months.

The trustees consider that the College's primary revenue streams remain broadly robust and demand positive over the medium term, and that any reduction in revenues in this period as a result of a downturn in demand will be short term and recoverable. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to respond to and minimise any adverse impact on its financial position.
The trustees are satisfied that the College is in a position to manage effectively its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

Corporate trustee responsibilities

The College is a corporate trustee of the Colledge Family Memorial Fellowship Trust. This trust holds investments and assets in its own name and its activities are entirely separate from those of the College.

Colledge Family Memorial Fellowship Trust

The College is one of three trustees of the Colledge Family Memorial Fellowship Trust, which was set up to award travelling fellowships to surgeons. The other trustees of this fund are Mr T George and Professor A Narula. We provide a number of services to the Trust, namely, the preparation of annual accounts, the submission of these and the annual return to the Charity Commission, and liaison with the investment fund managers, Cazenove Capital Management, to ensure that the funds are invested in accordance with the wishes of the trustees. The Trust's financial statements are audited by Crowe U.K. LLP.

The value of the Colledge Family Memorial Fellowship Trust endowed fund at 30 June 2023 is £2.6m (2022: £2.8m) and its restricted fund is £73k (£2022: £34k).

Other trustee responsibilities

The Sir Ratanji Dalal Research Scholarship Fund

Our President is one of two trustees of the Sir Ratanji Dalal Research Scholarship Fund, the other being the President of the Royal College of Physicians. We provide administrative and accounting services to the Fund and its trustees, preparing the annual accounts and annual return for submission to the Charity Commission. The financial statements are audited by Crowe U.K. LLP.

The value of the Sir Ratanji Dalal Research Scholarship endowed Fund was £0.72m at 30 June 2023 (2022: £0.75m) and its restricted fund was £170k (2022: £139k).

Funding partnerships

As a registered charity (212808), we rely upon charitable support to underpin our work in advancing surgical standards through education, research and training.

We are grateful to our many supporters, whose donations and encouragement are crucial as the demands on our limited resources become ever greater. We would like, in particular, to acknowledge the following charitable trusts, foundations, companies and individuals.

Foundations, charitable trusts, associations and individuals

Association of Breast Surgery	Hon Society of Knights of the Round Table Benevolent Fund
Association of Coloproctology of Great Britain and Ireland	Huggard Charitable Trust
Blond McIndoe Research Foundation	Linder Foundation
Bowel Cancer UK	Lollipop Foundation
Bowel Research	Marx Family Trust
Breast Cancer UK	Masonic Charitable Foundation
British Association of Urological Surgeons	Miss Leela Kapila OBE FRCS
British Gynaecological Cancer Society	Mr Bjorn Saven
British Obesity & Metabolic Surgery Society	Mr Leon J Grant
Brock Webb Trust	National Joint Registry
Bryan Guinness Charitable Trust	Occtopus
Circulation Foundation	Orthopaedic Research UK
Edwin George Robinson Charitable Trust	PF Charitable Trust
ENT UK	Professor Miles H Irving KB FRCS
Frances and Augustus Newman Foundation	Rosetrees Charitable Trust
Freemasons Fund for Surgical Research	Shears Foundation
G D Herbert Charitable Trust	Sir John Fisher Foundation
G M Morrison Charitable Trust	Society for Cardiothoracic Surgery in Great Britain and Ireland
George Drexler Foundation	St Jude's Charitable Trust
Gilbert and Eileen Edgar Foundation	Swann-Morton Foundation
Globe Lodge No. 23	Vascular Surgical Society of Great Britain and Ireland
Gunnar Nilsson Cancer Treatment Trust Fund	Worshipful Company of Needlemakers
Health Education England	Wyndham Charitable Trust
Henry Lumley Charitable Trust	

Corporate Support

Abbott Medical	Medtronic
B Braun Medical Ltd	MoInlycke Health Care
Bloomberg Connects	Pensionlite Ltd
Butterfly Network	Rocialle Healthcare
CMR Surgical Ltd	Siemens Healthineers
Eido Healthcare Limited	Stryker Corporation
Ethicon UK	THD (UK) Ltd
Immerse Education	Thomas Tunnock Ltd
Karl Storz Endoscopy (UK) Ltd	TruCorp Ltd

Endowed and Restricted Funds

Alban Barros D'Sa Scholarship Fund	Henry Lumley Charitable Trust
Arthritis Research Trust Fund	Margaret Witt Scholarship Fund
Blond McIndoe Fund	Philip and Lydia Cutner Fund
Doctor Shapurjui H Modi Memorial ENT Fund	Preiskel Family Fund
Fellows Fellowship Fund	Sorab (Soli) Jamshed Lam Research Fund
Harold Bridges Bequest	Vandervell Research Fund

Legacies

The late Ms J Anderton for general charitable purposes	The late Mr M W E Morgan for general charitable purposes
The late Ms L Bartlett for the Margaret Witt Fund	The late Mrs B Mountford-Quinn for general charitable purposes
The late Ms D C Bartley for general charitable purposes	The late Mr A R Mowlem for general charitable purposes
The late Mr D P Goodwin for general charitable purposes	The late Mr A G Neville for general charitable purposes
The late Mr R W Heslop for general charitable purposes	The late Mr N J Norris for general charitable purposes
The late Ms W L W Maclean for general charitable purposes	The late Miss S J White for general charitable purposes
The late Mr F T Middleton for general charitable purposes	

Structure, governance and management

Charter

The Royal College of Surgeons of England was established by Royal Charter in 1800 to promote and encourage the study and practice of the art and science of surgery. Its earlier history lies in the records of the City Companies of Surgeons and Barber Surgeons. The affairs of the College are regulated by its founding and subsequent charters and ordinances. The most recent of these charters was granted in April 2015, and prior to that in March 1992. The College is a charity, with the registered number 212808.

Constituent parts

For administrative purposes, the College comprises the Commonalty of Surgeons and the Faculty of Dental Surgery.

Trustees

The Board of Trustees, which came into effect with our new charter in April 2015, comprises the College Officers, the Dean of the FDS, three elected trustees (elected by and from Council), and four lay trustees appointed by the Board.

Officers	
President	Mr T Mitchell (from 13 July 2023)
	Professor N Mortensen (to 13 July 2023)
Vice-Presidents	Professor F Myint
	Professor P Friend (from 13 July 2023)
	Professor V Lees (from 13 July 2023)
	Mr T Goodacre (to 13 July 2023)
	Mr T Mitchell (to 13 July 2023)
Dean of the Faculty of Dental Surgery	Dr C Eckhardt (from 16 June 2023)
	Mr M Garrett (to 16 June 2023)

Elected Trustees	Lay Trustees
Mr L Wijesinghe (from 14 July 2022)	Mr P Davé
Mr W Allum (from 8 June 2023)	Mr S Davis
Professor F Bhatti (from 8 June 2023)	Mr R Greig
Miss R Hargest (to 7 July 2022)	Miss J Kirby (from 27 July 2023)
	Lord A Morse (to 8 April 2023)

Members of Council

Council consists of 24 elected surgical fellows, 10 appointed surgical specialty association members, and 2 dental surgery fellows elected by the Board of the FDS. Surgical Council members are elected by postal ballot by fellows and members of the College. Specialty association members are appointed by a transparent and democratic procedure that has been determined by their appointing surgical specialty association and approved by the Council. In addition, during the year a number of invited members representing specific interests attended Council meetings.

Elected surgical and dental fellows	
Mr A Ahmed	Mr O Karim (from 7 July 2022)
Mr W Allum	Dr C Eckhardt (from 16 June 2023)
Professor F Bhatti	Ms G Bowbrick (from 13 July 2023)
Professor P Brennan	Professor A Carr (from 13 July 2023)
Professor P Friend	Ms D Kufeji (from 13 July 2023)
Miss R Hargest	Miss B Lovett (from 13 July 2023)
Miss S Howells	Mr R Moorthy (from 13 July 2023)
Professor C Lavy	Professor P Sagar (from 13 July 2023)
Professor V Lees	Mr M Garrett (to 16 June 2023)
Professor I Loftus	Mr T Goodacre (to 13 July 2023)
Mr T Mitchell	Mr R Kerr (to 13 July 2023)
Professor F Myint	Professor N Mortensen (to 13 July 2023)
Professor F Smith	Mr A Nanu (to 13 July 2023)
Miss S Vig	Mrs V Pegna (to 13 July 2023)
Mr L Wijesinghe	Professor T Rockall (to 13 July 2023)
Miss N Yassin	Mrs S Hill (to 7 July 2022)
Miss N Fearnhead (from 7 July 2022)	Mr P O'Flynn (to 7 July 2022)
Miss L Hamilton (from 7 July 2022)	

Surgical specialty association members	
Professor R Sayers	Mr S Kendall (to 12 July 2022)
Mr N Moorjani (from 7 July 2022)	Mr E Nicholls (to 12 July 2022)
Mr S Singh (from 1 November 2022)	Mr S Dover (to 13 July 2023)
Mr K Allison (from 13 July 2023)	Mr J Glass (to 13 July 2023)
Mr J Epstein (from 13 July 2023)	Mr T Goodacre (to 13 July 2023)
Mr W Hellier (from 13 July 2023)	Mr N Philips (to 13 July 2023)
Professor I Kamaly-Asl (from 13 July 2023)	Professor P Sagar (to 13 July 2023)
Professor N Soomro (from 13 July 2023)	Professor J Skinner (to 13 July 2023)
Mr B Visavadia (from 13 July 2023)	Mr P Spraggs (to 13 July 2023)
Mr F Monsell (from 13 July 2023)	

Governance

The Board of Trustees has responsibility for the overall direction of the College, but delegates all substantive matters relating to professional and public policy to the Council and allows the Council to further delegate its powers.

All trustees and Council members are given an induction course and ongoing training on their responsibilities and other matters as required.

The trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The trustees are committed to maintaining high standards of governance and are satisfied that the College applies the principles of the Code within its current governance arrangements. The College's compliance with the Code will be reviewed on an annual basis.

The committees of the Board are:

Committee	Chair
Audit and Risk Committee	Mr P Davé
Finance and Investment Committee	Miss J Kirby (from 27 July 2023)
	Lord A Morse (to 8 April 2023)
People and Culture Committee	Mr R Greig

The committees of the Council are:

Committee	Council Member
Learning and assessment	
Overall responsibility	Professor F Myint
Learning	Miss R Hargest (from 13 July 2023)
	Mr R Kerr (to 13 July 2023)
Dental and Surgical Examinations	Professor F Smith (from 16 June 2023)
	Mr M Garrett (to 16 June 2023)
Library, Museums and Archives	Professor F Myint
Quality Assurance	Professor F Bhatti (from 13 July 2023)
	Mr A Nanu (to 13 July 2023)
Research and Quality	
Overall responsibility	Professor V Lees (from 13 July 2023)
	Mr T Goodacre (to 13 July 2023)
Research Fellowships and Lectureships	Professor I Loftus (from 13 July 2023)
	Professor P Friend (to 13 July 2023)
Global Committee	
Overall responsibility	Professor V Lees (from 13 July 2023)
	Mr T Goodacre (to 13 July 2023)
Global Policy and Advocacy	Mr L Wijesinghe (from 13 July 2023)
	Mr T Goodacre (to 13 July 2023)
Global Surgery Programmes	Professor C Lavy
Membership Engagement	
Overall responsibility	Professor P Friend (from 13 July 2023)
	Mr T Mitchell (to 13 July 2023)
Future of Surgery	Professor P Sagar (from 13 July 2023)
	Professor J Skinner (to 13 July 2023)

The FDS reports to Council and forms part of the business of the Board of Trustees. The Faculty has its own committee structure and has a Dean to chair the Board of the Faculty. The results of the FDS is included in the College's financial statements.

The Board delegates to the Chief Executive responsibility for the day-to-day management of the College and the Chief Executive delegates management of specific functions to Executive Directors, each of whom is responsible for a portfolio of directorates.

Subscribing fellows and members elect the Council and the Board of the FDS.

Fellows and Members as at 30 June 2023	2023	2022
Commonality of Surgeons		
UK	14,196	14,000
Overseas	4,931	4,743
Affiliates	1,658	1,584
Total	20,785	20,327
Faculty of Dental Surgery		
UK	3,493	3,487
Overseas	907	866
Total	4,400	4,353
Joint members of FDS and FGDP(UK) (MJDF)		
UK	196	300
Overseas	88	118
Total	284	418
Total Fellows and Members		
UK	19,543	19,371
Overseas	5,926	5,727
Total	**25,469**	**25,098**

Management

Principal managers employed during 2022-23	
Chief Executive	Mr A Reed
Deputy Chief Executive	Mrs J Weller
Executive Director (Resources)	Ms J Porritt (to 1 September 2023)
Executive Director (Learning and Quality)	Mr S Hills
Executive Director (Membership, Marketing, Communications)	Ms L Davies
Director of Finance	Ms C Hibbs
Director of Dental and Surgical Exams	Mr A Landau
Director of Learning	Ms L Goldring
Director of Library and Archives	Mr R Williams
Director of Membership	Ms N Rowe
Director of Museums	Ms D Kemp
Director of Research and Quality Improvement	Mr R Tomlinson
Director of Strategy, Training and Workforce	Ms K Smith
Registrar of the Faculty of Dental Surgery	Ms H Johnstone

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of Trustees and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the group, and of their net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and the group will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Crowe U.K. LLP has indicated its willingness to be reappointed as the company's auditor for the coming year.

Signed on behalf of the members of the Board of Trustees on 2 November 2023.

Mr T Mitchell
President of Council
Chair of the Board of Trustees

Professor F Myint
Senior Vice-President of Council
Member of the Board of Trustees

Independent Auditor's Report to the Members of the Royal College of Surgeons of England

Opinion

We have audited the financial statements of the Royal College of Surgeons of England ("the Charity") and its subsidiaries ("the group") for the year ended 30 June 2023 which comprise Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 the parent Charity's affairs as at 30 June 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council 's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to

determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 44, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 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 151 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and

disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities Statement of Recommended Practice (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were GDPR, taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.

Crowe U.K. LLP
Statutory Auditor
London
Date 27 November 2023

Crowe U.K. 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.

Financial Statements

Consolidated statement of financial activities for the year ended 30 June 2023

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Totals £000	2022 £000
Income from						
Grants, donations and legacies	5a	976	4,964	-	5,940	5,314
Charitable activities	5b	24,739	185	-	24,924	21,715
Trading activities	5c	1,046	55	-	1,101	363
Investment Income	5d	1,097	26	457	1,580	692
Other income	5e	-	-	-	-	-
Total Income		**27,858**	**5,230**	**457**	**33,545**	**28,084**
Expenditure On						
Raising funds	6a	583	219	234	1,036	1,021
Charitable activities	6b	24,669	5,421	-	30,090	26,867
Other expenditure	6c	4,983	-	-	4,983	6,558
Total Expenditure		**30,235**	**5,640**	**234**	**36,109**	**34,446**
Net income/(expenditure) before investment gains/(losses)		**(2,377)**	**(410)**	**223**	**(2,564)**	**(6,362)**
Net gains/(losses) on investments	11	(678)	43	746	111	(1,242)
Net income/(expenditure)		**(3,055)**	**(367)**	**969**	**(2,453)**	**(7,604)**
Application of total return	18	-	1,488	(1,488)	-	-
Net movement in funds for the year		**(3,055)**	**1,121**	**(519)**	**(2,453)**	**(7,604)**
Balances brought forward at 1 July	19	93,565	4,748	39,174	137,487	145,091
Balances carried forward at 30 June	**19**	**90,510**	**5,869**	**38,655**	**135,034**	**137,487**

The notes to the financial statements are on pages 51 to 83.

Consolidated balance sheet as at 30 June 2023

	Notes	2023 GROUP £000s	2023 RCS £000s	2022 GROUP £000s	2022 RCS £000s
Fixed assets					
Tangible fixed assets	9	102,676	102,676	104,001	104,001
Intangible fixed assets	9	1,284	1,284	1,855	1,855
Investments	11	72,906	72,906	74,898	74,898
Total fixed assets		**176,866**	**176,866**	**180,754**	**180,754**
Current assets					
Stock		41	41	67	67
Debtors	12	8,861	9,480	5,148	5,235
Cash and short-term deposits		8,221	8,221	10,841	10,841
Total current assets		**17,123**	**17,742**	**16,056**	**16,143**
Creditors: amounts falling due within one year	13	(15,854)	(16,473)	(16,117)	(16,204)
Net current assets/(liabilities)		**1,269**	**1,269**	**(61)**	**(61)**
Long-term liabilities					
Creditors: amounts falling due after more than one year	13	-	-	-	-
Defined benefit pension liability	20	(3,101)	(3,101)	(3,206)	(3,206)
Long term loan	13	(40,000)	(40,000)	(40,000)	(40,000)
Total long-term liabilities		**(43,101)**	**(43,101)**	**(43,206)**	**(43,206)**
Net assets		**135,034**	**135,034**	**137,487**	**137,487**
Funds					
Fixed asset funds		68,161	68,161	70,057	70,057
Other designated funds		642	642	1,108	1,108
Property revaluation reserve		2,959	2,959	4,184	4,184
Pension reserve	20	(3,101)	(3,101)	(3,206)	(3,206)
General funds		21,849	21,849	21,422	21,422
Total unrestricted funds	**16**	**90,510**	**90,510**	**93,565**	**93,565**
Restricted funds	17	5,869	5,869	4,748	4,748
Endowed funds	18	38,655	38,655	39,174	39,174
Total funds		**135,034**	**135,034**	**137,487**	**137,487**

The notes on pages 51 to 83 form part of these financial statements. The parent charity deficit for the year is £2.45m (2022: £7.6m deficit).

Approved on behalf of the members of the Board of Trustees and authorised for issue on 2 November 2023.

Mr T Mitchell
President of Council
Chair of the Board of Trustees

Professor F Myint
Senior Vice-President of Council
Member of the Board of Trustees

Consolidated cash flow statement as at 30 June 2023

	Notes	Total funds 2023 £000	Total funds 2022 £000
Net cash provided by (used in) operating activities	**A**	**(4,293)**	**(1,882)**
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,580	692
Proceeds from the sale of property		-	-
Purchase of property, plant and equipment		(2,010)	(3,918)
Proceeds from sale of investments		2,777	3,052
Purchase of investments		(674)	(520)
Net cash provided by / (used in) investing activities		**1,673**	**(694)**
Cash flows from financing activities:			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Receipt of endowment		-	-
Net cash provided by (used in) financing activities		-	-
Change in cash and cash equivalents in the reporting period		**(2,620)**	**(2,576)**
Cash and cash equivalents at the beginning of the reporting period	B	10,841	13,417
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	**B**	**8,221**	**10,841**

A. Reconciliation of cash flows from operating activities		
Net income for the reporting period (as per statement of financial activities)	**(2,453)**	**(7,604)**
Adjust for: Profit on disposal of long lease	-	-
Net income/(expenditure) from operating activities	**(2,453)**	**(7,604)**
Adjustments for:		
Depreciation charges	2,608	2,681
(Gains)/losses on investments	(111)	1,242
Dividends, interest and rents from investments	(1,580)	(692)
Loss on disposal of fixed assets	1,298	-
(Increase)/decrease in stocks	26	1
(Increase)/decrease in debtors	(3,713)	2,014
Increase/(decrease) in creditors	(368)	476
Net cash provided by/(used in) operating activities	**(4,293)**	**(1,882)**

B. Analysis of cash and cash equivalents		
Current and short term deposits	8,221	10,841
Total cash and cash equivalents	**8,221**	**10,841**

The notes on pages 51 to 83 form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2023

1. Charity information

The Royal College of Surgeons of England was established by Royal Charter in 1800 and is a registered charity in England and Wales (Charity no. 212808).

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and in accordance with the Statement of Recommended Practice (SORP): "Accounting and Reporting by Charities (2019) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", effective from 1 January 2019, and the Charities Act 2011. The College constitutes a public benefit entity as defined by FRS 102.

The financial statements consolidate on a line by line basis the financial statements of the Royal College of Surgeons of England and of its subsidiary undertaking, Hunter Trading Ltd (company number: 3110552), for the financial year ended 30 June 2023. Intergroup transactions are eliminated on consolidation. Hunter Trading Ltd is a private limited company incorporated in England and Wales.

2.1 Going concern

The financial statements have been prepared on a going concern basis. While the College has returned a reasonably strong performance for 2022–23, the ongoing economic uncertainty both within the UK and globally continues to present financial challenges in terms of the impact of a rising cost of operations on our margins and the potential for instability in our revenue base. It is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2025.

The College prepares its annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to its revenue streams before the plan is finalised and approved. This next year will be a year of consolidation and progress as the College continues its work to reshape the organisation, develop and broaden its revenue base, including new commercial revenue, and to build and strengthen its membership offer to meet the needs of both the surgical and dental member communities. Revenues have recovered well following the pandemic but margins have narrowed significantly as a result of the ongoing inflationary environment. It is therefore vital that the College's transformation agenda is driven forward and a new business model is developed that positions the College to compete effectively in its marketplace and deliver longer term financial sustainability.

The College has updated its long-term revenue and cash projections for its latest results, annual plan and other expected changes in its operating position over the next 18 to 24 months. The projections are stress-tested and set the minimum long-term operating surplus target that the College must achieve in order to meet its interest and repayment obligations in the medium to longer term. With £40m of long-term financing secured in November 2020 the College has sufficient cash reserves to support its general operations over the next 18 to 24 months.

The trustees consider that the College's primary revenue streams remain broadly robust and demand positive over the medium term, and that, any reduction in revenues in this period as a result of a downturn in demand will be short term and recoverable. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to respond to and minimise any adverse impact on its financial position.

The trustees are satisfied that the College is in a position to manage effectively its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

2.2. Prior year re-statement of debtors and creditors

We note a prior period adjustment of debtors and creditors in respect of the treatment of interfund debtor and creditor balances of £1.25m. The amount in other debtors and accruals in 2022 was previously stated as £1.338m and £7.265m but are revised to £88k and £6.015m after removing the compensating interfund balances of £1.25m.

3. Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements may require management to make judgements and estimations in the process of applying the College's accounting policies that have a significant effect on the carrying amounts of assets and liabilities in the accounts. The nature of judgement and estimation means that actual outcomes may differ from expectation and may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

No judgements other than those involving estimations have been made by management in the process of applying the College's accounting policies in the preparation of these statements. Sources of estimation uncertainty may vary from year to year and these are re-assessed each year to ensure disclosure remains relevant.

Significant areas of estimation uncertainty in respect of the financial statements to 30 June 2023 are set out below:

- Application of component accounting in respect of fixed asset items with significantly different useful economic lives.
- Determination of useful economic lives for fixed asset items.
- Determination of mixed-use property.
- Calculation of defined benefit pension scheme liabilities.

3.1. Component accounting

The construction of the redeveloped freehold property was completed on 30 April 2021 and the property was brought into use from this date. The total redevelopment cost was allocated across the relevant fixed asset classes. Major components within each asset class were assigned depreciation measures that reflect their significantly different useful economic lives. This was based upon a detailed assessment of the construction contract provided by the capital programme's cost management consultants and discussions with the consultants to agree the principles of allocation in respect of costs not directly linked to physical assets. Management revised the asset allocation only where required in order to ensure consistency of categorisation and alignment with standard asset accounting categorisations. Other assets within the class were grouped for depreciation purposes and allocated the depreciation measure of the nearest major component asset. Management considers that this approach provides a reasonable basis upon which to depreciate all of the assets within each class (see accounting policy 4.4.1 Tangible Fixed Assets).

The build and fit-out works in respect of the Hunterian Museum were fully completed by 24 May 2023. The asset was deemed to have been brought into use with an effective date of 1 June 2023. The cost of works has been allocated across the appropriate fixed asset classes based upon a detailed assessment of the contracted works provided by the programme's project management consultants. Components within each asset class were assigned depreciation measures that reflect their different useful economic lives. Costs not directly linked to physical assets were grouped and allocated to the largest component asset.

3.2. Useful economic lives

The depreciation rates adopted in respect of the major components of each fixed asset class arising from the redevelopment of the freehold property have been based on useful economic lives determined by the capital programme's specialist construction cost management consultants.

The depreciation rates adopted in respect of the components of each fixed asset class arising from the museum build and fit-out works have been based on useful economic lives determined by the programme's project management consultants.

Depreciation rates in respect of other fixed asset items in operational use are based on a range of factors including warranty periods and average expected replacement cycles as determined by relevant management personnel.

3.3. Mixed-use property

The College intends to lease part of its freehold property to other organisations for the purposes of earning rental income. The freehold property is therefore a mixed-use property where part of the property is held for use in the ordinary course of business and part of the property is held as an investment property.

The total cost of the freehold property has been apportioned between the net internal area and the gross internal area and then to each floor on a net internal area basis using the area data from the architect-approved floor plans. The investment property is measured at cost at initial recognition and then measured subsequently at fair value in accordance with FRS 102.

An assessment of the fair value is undertaken at each year-end by an appropriately qualified property valuer. The valuation is based upon a set of assumptions and estimates, for example, yields, whereby a small change in these estimates may result in a material impact on the value attributed to the investment property in the financial statements.

3.4. Defined benefit pension scheme liabilities

The College participates in two multi-employer defined benefit pension schemes where the College is exposed to actuarial risks associated with other participating entities and is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis.

Where these pension schemes are in deficit on a Technical Provisions basis, in accordance with Section 28 of the FRS 102 (Employee Benefits), the College recognises and discloses its share of the liability arising for contributions payable in respect of the deficit recovery agreement in existence at the date of approving the financial statements and recognises the resulting expense in the statement of financial activities. The College uses a deficit recovery model issued by the USS to calculate its share of the liability in respect of the USS scheme, making a number of estimations including discount rate, payroll and headcount changes to calculate the changes in the annual liability provision. The estimations are set out in note 20 (Pension liabilities and charges).

4. Principal accounting policies

4.1. Income

Income is recognised when the entitlement is established, there is probability of receipt and the amount can be reliably measured. Income received relating to future accounting periods is deferred and shown as a creditor on the balance sheet.

4.1.1 Course and examination fees are recognised in the financial statements in the period in which the relevant course and examination takes place.
4.1.2 Membership subscription fees are accounted for on an accruals basis.
4.1.3 Grant income (revenue and capital) is accounted for on a receivables basis.
4.1.4 General and specific donations are credited in full in the year of receipt.
4.1.5 Legacy income is recognised when notified, providing the amount is measurable and receipt is probable.
4.1.6 Investment income is credited on a receivables basis.
4.1.7 Other income is accounted for on an accruals basis and recognised in the financial statements to the extent that the contract or service is completed.

4.2. Expenditure

All expenditure is accounted for on an accruals basis, and, with the exception of support costs, is attributed directly to each activity undertaken.

Expenditure in respect of charitable activities is categorised to reflect those areas of activity that support the delivery of our strategic priorities.

4.2.1 Employee costs include the net movement in year on the provision for annual leave accrued by employees in respect of services rendered as required by FRS 102.

4.2.2 Support costs are allocated to activities on a basis consistent with the use of these resources: building services costs are charged to departments and faculties based upon area occupied; portering and cleaning services, finance, IT and human resources costs are allocated based on the number of full-time equivalent staff.
4.2.3 Governance costs comprise those costs incurred in relation to the overall strategic management of the College, and the costs of compliance with statutory requirements and under FRS 102 are disclosed as part of support costs and allocated to other professional activities.
4.2.4 Overheads in relation to grant-funded projects are charged, where appropriate, on the basis of their activity.
4.2.5 Grants payable are charged in full in the period in which the recipients are notified of their award.
4.2.6 Fundraising costs comprise the costs incurred in encouraging others to make voluntary contributions to the College and its activities.

4.3. Taxation

The College is a registered charity incorporated by Royal Charter and as such is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.

The College's wholly owned subsidiary, Hunter Trading Ltd, is liable to corporation tax, but all profits earned on its trading operations are gifted each year to the College.

The College is partially exempt for the purposes of VAT and is only able to reclaim a percentage element of VAT charged on goods and services purchased.

4.4. Tangible and intangible fixed assets

4.4.1 Tangible fixed assets

Freehold land is stated at historic cost and is not depreciated as it is considered that its value is not impaired by the passage of time and therefore has an unlimited useful life.

Property development projects which are not completed at the year-end are shown as "Assets in the course of construction" and are not depreciated until they are brought into use on practical completion.

In accordance with Section 17 of FRS 102 (Property, Plant and Equipment), all fixed asset items are measured at cost at initial recognition. All items of property, plant and equipment are measured after initial recognition using the cost model. Under this model each fixed asset item is measured at cost less any accumulated depreciation and any accumulated impairment losses. Fixed assets are reviewed for impairment on an annual basis.

The freehold property redevelopment was completed on 30 April 2021. The total cost of redevelopment on practical completion was allocated to four major asset classes; freehold building, plant and machinery, fixtures and fittings, and infrastructure equipment. The major component assets of each asset class were identified. These component assets are subject to significantly different patterns of consumption of economic benefits. The useful life of these assets was determined by construction cost management specialists. The useful lives of each of the major component assets within each asset class have been adopted as the principal component depreciation measures. Other assets that were not identified as major component assets were allocated the useful life of the nearest major component asset as we consider that the useful lives of the major asset components reflect reasonably the varying patterns of consumption of future economic benefits for the entire asset class.

The cost of the completed museum works has been allocated to three major tangible asset classes, plant and machinery, fixtures and fittings, and infrastructure equipment; and to one intangible asset class, computer software. The useful life of the component assets in each asset class has been determined by external cost management specialists and these lives have been adopted as the component depreciation measures.

All assets are depreciated over their useful lives using the straight-line method and the annual depreciation charge is recognised under Other expenditure in the statement of financial activities.

The depreciation measures are set out as follows:
vi. Freehold property assets are depreciated over component periods of 45, 60, 75 and 80 years.
vii. Plant and machinery assets are depreciated over component periods of 20, 25 and 40 years.
viii. Fixture and fittings assets are depreciated over component periods of 5, 10, 15, 20, 25, 30 and 50 years.
ix. Infrastructure equipment assets are depreciated over component periods of 5, 8, 10 and 15 years.

x. Furniture assets are depreciated over component periods of 5 and 10 years.
xi. Computer and other equipment is depreciated over 4 years.

4.4.2 Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any impairment losses. Software development costs are recognised as an intangible fixed asset where these create an identifiable software asset from which future economic benefit will be derived. Any enhancements to existing software assets that result in additional functionality and therefore enhance the value of the asset to the business are also capitalised.

Software development projects which are not completed at the year-end are shown as "Assets in the course of construction" and are not depreciated until they are brought into use on practical completion.

The allocation of the cost of the museum works to fixed asset classes included a software component asset. This has been assigned to the computer software asset class and assigned an appropriate depreciation measure as determined by the external cost management specialists.

All assets are depreciated over their useful lives using the straight-line method and the annual depreciation charge is recognised under "Other expenditure" in the statement of financial activities.

Software assets are depreciated over component periods of 4 or 10 years.

4.5. Fixed asset investments

Fixed asset investments are stated at fair value at the balance sheet date. These investments include cash held by the investment managers intended for investment or held as part of the portfolio.

In accordance with Section 16 of FRS 102, investment property is property (land, building and part of a building) held by the College for long-term rental yields and for capital appreciation and is not used for operational purposes. Investment property is measured at cost at initial recognition and then is measured subsequently at fair value.

Valuations are carried out for financial accounting purposes in accordance with the Valuation – Global Standards 2020 of the Royal Institution of Chartered Surveyors. Fair value represents the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction.

Changes in fair value representing the net unrealised gains and losses arising on revaluation are recognised in the Statement of Financial Activities together with the realised gains and losses arising from disposals in the year.

Where part of the freehold property is or is intended to be leased to another entity, then the property is deemed to be mixed-use property and the cost of the property must be separated between property, plant and equipment that is held for operational use under tangible fixed assets and investment property that represents the area leased to another entity. If the fair value of the investment property component cannot be measured reliably then the entire property is accounted for as property under tangible fixed assets.

Endowments are accounted for under the total return approach using a base date of 24 June 1992 to determine the permanent capital of each endowment.

4.6. Heritage assets

Heritage assets are books, manuscripts, specimens, objects or other assets that have historic, scientific, artistic, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The College's heritage assets comprise mainly the numerous specimens and artefacts collected by John Hunter in the 1700s and presented to the College in 1799, and leading to the establishment of the Hunterian Museum. The College is by law the proprietor of these specimens and the Hunterian trustees have a duty to ensure that the College maintains the specimens and does not dispose of them. The College also owns historic books related to surgery and medicine which were bequests in the 19th century and are preserved and maintained in the library and are not to be disposed.

No value has been attributed to these heritage assets in the balance sheet on the grounds that the trustees consider there is no reliable method of establishing historic cost information for these artefacts and that the costs of valuation would be disproportionate to the benefit of the resultant information. No heritage assets were purchased during the period of the closure of the Hunterian Museum and no donated heritage assets have been received in this accounting period.

4.7. Stock

Stock comprises goods produced for re-sale, including course manuals purchased or printed, and is stated at the lower of cost and net realisable value.

4.8. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and cash held on readily realisable short-term deposits with approved financial institutions.

4.9. Financial instruments

A financial instrument is broadly defined as a contract that gives rise to a financial asset in one entity and a financial liability in another entity. These financial assets and liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. The College has financial instruments that fall into the category of basic financial instruments as defined under Section 11 of FRS 102. FRS 102 requires disclosure of the measurement bases of these instruments.

Financial assets measured at amortised cost include cash, trade debtors, other debtors and accrued income. Financial assets measured at fair value include investments. Financial liabilities measured at amortised cost include trade creditors, other creditors and accruals.

4.10. Post-employment benefits

The College contributes to four pension schemes on behalf of its employees: the USS, a multi-employer externally funded hybrid scheme providing defined benefits and defined contribution benefits; the Superannuation Arrangements of the University of London (SAUL), a multi-employer externally funded defined benefit scheme; the NHS Pension Scheme, a statutory unfunded multi-employer defined benefit public sector scheme; and Standard Life, a defined contribution scheme set up for employees in 2014. The USS scheme changed from a defined benefit only scheme to a hybrid pension scheme with effect from 1 October 2016, providing defined benefits (for all members), as well as defined contribution benefits.

The trustees are satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme, whereby the participating entities are not under common control and the schemes represent industry-wide schemes. Where the employer has entered into an agreement with a multi-employer scheme that determines how the employer will fund a scheme's deficit, FRS 102 requires that the employer recognises the liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the income and expenditure account.

The assets of the USS and SAUL multi-employer schemes are held in separate trustee-administered funds. Given the mutual nature of these schemes, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other entities' employees and is unable to identify the College's share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The College is therefore required under Section 28 of FRS 102 (Employee Benefits), to account for these schemes as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

Formal valuations of USS and SAUL are undertaken every three years by professional qualified and independent actuaries using the projected unit method in which the actuarial liability for benefits makes allowance for projected increases in earnings. The Pensions Act 2004 introduced a new scheme-specific funding regime, requiring schemes to adopt a statutory funding objective and ensure that the schemes' assets are sufficient and appropriate to cover their Technical Provisions.

The College accounts for the NHS scheme as a defined contribution scheme and the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. The College contributes also to a defined contribution scheme with Standard Life and the pension costs charged to the income and expenditure account represent the contributions payable for the accounting period.

4.11. Other provisions for liabilities

Provisions are recognised when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that the College will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the consideration required to settle this obligation at the end of the reporting period.

4.12. Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

4.13. Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the College's general charitable objectives.

Designated funds are unrestricted funds that have been designated by the trustees to be applied for specific purposes in the future.

Fixed assets funds represent the net book value of the unrestricted tangible and intangible fixed assets less any associated debt raised to finance fixed assets and the trustees consider that these assets are essential to the implementation of the College's operational strategy and that their disposal could adversely impact on the College's ability to deliver its aims.

Restricted funds represent donations, legacies or other grants, given for specific purposes to be expended in accordance with the terms of the donation, legacy or grant.

Endowed funds represent donations or legacies given to the College, the terms of which stipulate that the original capital cannot be spent. The funds are invested to generate an income and capital growth, which can then be expended in accordance with the purposes stated by the donor.

5. Income

	Unrestricted Funds	Restricted Funds	Endowed Funds	2023	2022
Income from:	**£000**	**£000**	**£000**	**£000**	**£000**
5a. Grants, donations and legacies					
Donations	91	584	-	675	860
Grants	-	4,380	-	4,380	3,141
Legacies	885	-	-	885	1,313
Total	**976**	**4,964**	**-**	**5,940**	**5,314**
5b. Charitable activities					
Courses	3,092	-	-	3,092	3,941
Examinations	8,523	-	-	8,523	5,771
Subscriptions	9,382	9	-	9,391	9,197
Quality and standards income	1,157	-	-	1,157	1,078
Other charitable income	2,585	176	-	2,761	1,728
Total	**24,739**	**185**	**-**	**24,924**	**21,715**
5c. Trading activities					
Income from charitable trading	390	55	-	445	237
Income from taxable trading	656	-	-	656	126
Total	**1,046**	**55**	**-**	**1,101**	**363**
5d. Investment income					
Investment property income	894	-	-	894	172
Investment portfolio income	191	26	457	674	520
Interest received	12	-	-	12	-
Total	**1,097**	**26**	**457**	**1,580**	**692**
Income Total	**27,858**	**5,230**	**457**	**33,545**	**28,084**

Major legacies or gifts notified but not included in the financial statements, as they do not meet the income recognition criteria of entitlement, probability of receipt and measurement at the balance sheet date amount to £231k (2022: £705k).

6. Expenditure

	Unrestricted Funds	Restricted Funds	Endowed Funds	2023	2022
Expenditure on:	**£000**	**£000**	**£000**	**£000**	**£000**
6a. Raising funds					
Fundraising costs	445	206	-	651	588
Investment management fees	138	13	234	385	433
Total	**583**	**219**	**234**	**1,036**	**1,021**
6b. Charitable activities					
Quality and standards	1,632	1,866	-	3,498	3,843
Career and professional development	6,608	447	-	7,055	6,086
Influence and engagement	2,821	201	-	3,022	2,469
Training and assessing surgeons	8,242	70	-	8,312	5,952
Promoting public and professional engagement	3,008	224	-	3,232	3,091
Research and fellowships (Note 7)	-	2,554	-	2,554	2,737
Faculty of Dental Surgery	2,358	59	-	2,417	2,594
Faculty of General Dental Practice	-	-	-	-	95
Total	**24,669**	**5,421**	**-**	**30,090**	**26,867**
6c. Other expenditure					
38-43 Lincoln's Inn Fields depreciation	2,397	-	-	2,397	2,357
Fixed assets written off during the year	1,298	-	-	1,298	-
Interest payable	888	-	-	888	888
Other expenditure	400	-	-	400	3,313
Total	**4,983**	**-**	**-**	**4,983**	**6,558**
Expenditure Total	**30,235**	**5,640**	**234**	**36,109**	**34,446**

Allocated support costs

Support costs comprise building and visitor management services, finance and IT services, human resources and governance costs. These costs are allocated to activities on a basis consistent with the use of these resources. The allocation method and cost of each support service is summarised below.

		2023	2022
Support Services	**Allocation Basis**	**£000**	**£000**
Building Services	Space occupied	1,445	997
Visitor Management Services	Full-time equivalent staff	1,181	1,104
Human Resources	Full-time equivalent staff	322	339
Finance Services	Full-time equivalent staff	1,650	1,606
IT Services	Full-time equivalent staff	2,943	2,397
Governance costs	Other professional activities	1,319	752
Total Support Costs		**8,860**	**7,195**

Governance costs include fees payable to the College's auditors in respect of audit and non-audit services.

Auditors' remuneration	2023 £000	2022 £000
Auditor fees – parent charity	62	58
Auditor fees – Hunter Trading Ltd	4	4
Auditors non-audit fees	7	9
Total	**73**	**71**

Support Costs Allocation	Direct costs	Grants made	Support costs	2023	2022
Expenditure on:	**£000**	**£000**	**£000**	**£000**	**£000**
Raising funds					
Fundraising costs	365	-	286	651	588
Investment management fees	385	-	-	385	433
Total	**750**	**-**	**286**	**1,036**	**1,021**
Charitable activities					
Quality and standards	2,460	-	1,038	3,498	3,843
Career and professional development	4,981	-	2,074	7,055	6,086
Influence and engagement	1,384	-	1,638	3,022	2,469
Training and assessing surgeons	6,863	-	1,449	8,312	5,952
Promoting public and professional engagement	1,817	-	1,415	3,232	3,091
Research	696	1,647	211	2,554	2,737
Faculty of Dental Surgery	1,668	-	749	2,417	2,594
Faculty of General Dental Practice	-	-	-	-	95
Total	**19,869**	**1,647**	**8,574**	**30,090**	**26,867**
Expenditure Total	**20,619**	**1,647**	**8,860**	**31,126**	**27,888**

7. Research grants

	2023 £000	2022 £000
Research grants expenditure		
Research fellowships	1,640	1,765
Travelling fellowships & other projects	7	3
Surgical Trial Units	365	514
Administration	542	455
Total Expenditure	**2,554**	**2,737**
Research fellowships		
Liabilities at the start of the year	(1,786)	(1,951)
Paid in the year	1,596	1,930
Liabilities at the end of the year	1,830	1,786
Charge for the year	**1,640**	**1,765**
Awards	No.	No.
Research awards	80	80
Travel awards	8	5
Total	**88**	**85**
Research awards include:		
1 year fellowships	27	28
2 year fellowships	2	3
3 year fellowships	1	1
Dental fellowships	10	12
Intercalated Bachelor of Science awards	21	18
	£000	**£000**
Grants awarded to individuals at institutions with which members of Council are connected	663	860

Grants totalling £663k were awarded to individuals at institutions with which members of Council are connected (2022: £860k). These members of Council did not participate in the decisions to award the respective grants.

Surgical research fellowships awarded by the College are only eligible to surgical trainees who are members of the College (MRCS) and who have entered their period of specialty training (specialist registrars). The overriding objective of the surgical research projects is to improve care of surgical patients and the projects are based upon the principles of translational research; that is, research examining a specific clinical problem. Details of the research fellowships awarded and other research projects undertaken are available in the annual research report published by the research department.

8. Employee information

	2023 £000	2022 £000
Salaries and wages	10,003	8,928
National Insurance costs	1,117	981
Pension costs	1,535	3,077
Total	**12,655**	**12,986**

Redundancy and termination payments arising from restructuring activities during the year totalled £10,378 (2022: £nil).

The number of staff employed by the College as at 30 June was as follows:

	2023 Nos.	2022 Nos.
Clinical Effectiveness Unit	22	17
Dental & Surgical Examinations	30	26
Fundraising	5	5
Executive Office	8	6
Faculty of Dental Surgery	10	13
Global Affairs	4	5
Joint Committee on Surgical Training	25	22
Learning	25	23
Library & Museum	26	26
Membership & Engagement	34	33
Transform	4	4
Quality Improvement	12	10
Research	5	5
Support Services	36	36
Total	**246**	**231**
The average number of staff employed during the year was 239 (2022: 226)		
At 30 June the number of employees whose emoluments exceeded £60k was:		
£60,000 - £70,000	20	11
£70,001 - £80,000	7	4
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
£100,001 - £110,000	1	2
£110,001 - £120,000	2	2
£120,001 – £130,000	1	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	1	1

The College's key management personnel are set out on page 43 of the Trustees' Report. Total employee benefits received in the year by the College's key management personnel amounted to £1.74m (2022: £1.663m).

No trustees received any remuneration for services as members of the Board of Trustees in the current and preceding years.

9. Fixed assets (Group and Charity)

Tangible Fixed Assets	Freehold Land £000	Freehold Property £000	Fixture and Fittings £000	Plant and Machinery £000	Infra-structure Equipment £000	Furniture £000	Computer and Other Equipment £000	Assets in course of construction £000	2023 £000
Cost at 1 July 2022	1,945	71,721	13,061	12,233	1,594	1,382	669	4,672	107,277
Additions during the year	-	149	-	-	35	-	114	1,071	1,369
Assets written off during year	-	-	-	-	-	-	-	(25)	(25)
Fixed asset re-allocations	-	-	4,713	387	190	-	-	(5,466)	(176)
At 30 June 2023	**1,945**	**71,870**	**17,774**	**12,620**	**1,819**	**1,382**	**783**	**252**	**108,445**
Depreciation at 1 July 2022	-	(1,104)	(609)	(578)	(186)	(279)	(520)	-	(3,276)
Charge for the year	-	(948)	(542)	(497)	(169)	(240)	(97)	-	(2,493)
Assets written off during year	-	-	-	-	-	-	-	-	-
Fixed asset re-allocations	-	-	-	-	-	-	-	-	-
At 30 June 2023	**-**	**(2,052)**	**(1,151)**	**(1,075)**	**(355)**	**(519)**	**(617)**	**-**	**(5,769)**
Net Book Value 2022	1,945	70,617	12,452	11,655	1,408	1,103	149	4,672	104,001
Net Book Value 2023	**1,945**	**69,818**	**16,623**	**11,545**	**1,464**	**863**	**166**	**252**	**102,676**

Intangible Fixed Assets	Computer Software £000	Assets in course of construction £000	2023 £000
Cost at 1 July 2022	2,870	1,568	4,438
Additions during the year	-	641	641
Assets written off during year	-	(1,273)	(1,273)
Fixed asset re-allocations	176	-	176
At 30 June 2023	**3,046**	**936**	**3,982**
Depreciation at 1 July 2022	(2,583)	-	(2,583)
Charge for the year	(115)	-	(115)
Assets written off during year	-	-	-
Fixed asset re-allocations	-	-	-
At 30 June 2023	**(2,698)**	**-**	**(2,698)**
Net Book Value 2022	287	1,568	1,855
Net Book Value 2023	**348**	**936**	**1,284**

The build and fit-out works in respect of the Hunterian Museum were fully completed by 24 May 2023. The total development cost of £5.47m has been transferred from assets in the course of construction and allocated across the relevant fixed asset categories of plant and machinery, fixtures and fittings, infrastructure equipment and computer software.

Completion of construction works in respect of the College's freehold property located at 38–43 Lincoln's Inn Fields took effect on 30 April 2021 and the newly redeveloped property was brought into operational use from this date. The total development cost of £102.3m was allocated across the relevant fixed asset categories of freehold property, plant and machinery, fixtures and fittings, and infrastructure equipment. The asset costs are being depreciated on a straight-line basis over a range of component periods and with a maximum period of 80 years for certain freehold property components. The building assets are depreciating currently at an annual rate of approximately £2.4m. All components except freehold property will have been fully depreciated after 25 years.

Investment in the College's digital transformation agenda, including the build of a new customer relations management system and enterprise platform, is held under intangible assets in the course of construction (£641k). After the initial development phase was halted during the pandemic, a new development partner was engaged and fundamental changes were made to the existing system plan and design. Management determined that there was no further use for the asset in the course of construction in relation to the initial phase of works and that this cost of £1.27m should be written off in this year.

The College has adopted the cost model as the method of subsequent measurement for the freehold property at 38–43 Lincoln's Inn Fields. The College intends to use the second floor office area for long-term rental yields and capital appreciation and is not therefore available for its operational use. FRS 102 requires that this office area is defined as investment property and after its initial recognition at cost is to be measured at fair value. The cost of the investment property at £4.2m was determined on an apportionment basis from the total cost of the redeveloped freehold property using the net internal area of the leased second floor as a proportion of total gross internal area. This cost was transferred from tangible fixed assets to fixed asset investments in 2020–21 (see Investments note 11).

A valuation of the freehold property as at 30 June 2023 was carried out by Gerald Eve, the College's real estate management agency, with an inspection taking place on 12 June 2023. The property is valued at £90.1m, a reduction of nearly 13% or £13.1m from the 2022 valuation. This decline in value across both land and building reflects the impact of higher interest rates on London property market yields during the year. This compares to a total cost of £102.3m. The valuers have confirmed that there have been no material changes to the property or its immediate locality between the inspection date and the valuation date of 30 June 2023.

The College exercised the option to tax land (and building) at 38–43 Lincoln's Inn Fields with effect from 1 March 2021.

The sale of a 155-year lease in October 2017 over the College's Nuffield property gave rise to a disposal of land and building. No value was attached to the reversionary interest in the lease as management considers a valuation to be problematic given the length of the lease and unlikely to be of material value. The residual freehold land at 38–43 Lincoln's Inn Fields is stated at the historic cost of £1.95m.

10. Heritage assets

Heritage assets can be acquired by gift, bequest, exchange or purchase on the open market.

The College's heritage assets comprise the designated collections held by the College library, museum and archives. The museum and library closed in June 2017 ahead of the redevelopment of the estate and the collections were stored in appropriate secure facilities and with partner organisations across a number of locations for the period of the redevelopment. The library and archive collections returned to the College during the financial year 2021-22 and the majority of the museum's collections were returned to the College for installation in the new museum which opened in May 2023. The remaining collections continue to be stored in appropriate secure facilities. No heritage assets were capitalised during the year as none exceeded the capitalisation threshold of £1,000.

The Hunterian Museum represents a world-class surgical heritage resource which seeks to tell the story, of surgeons and surgery over the last three centuries. The main collection is the Hunterian Collection which comprises of approximately 3,700 anatomical specimens and artefacts. These were collected by John Hunter in the 1700s and presented to the College in 1799.

The College Museum Collection holds approximately 3,500 objects associated with surgical and dental research and training since 1800 including anatomy and pathology specimens which are over 100 years old. The Historical Surgical Instruments Collection comprises approximately 9,000 surgical instruments.

The special collections cover fine and decorative art including portraits and furniture with over 5,300 objects in this collection.

The library collections became a designated collection under the Designation Scheme of the Arts Council England in 2013. They comprise an estimated 115,000 books and pamphlets dating from the 15th century onwards as well as an important collection of rare journals dating from the 17th century onwards .

The 20th century collections focus on surgery, dentistry, anatomy, physiology and pathology, whereas the subjects in the earlier collections reflect the evolution of medicine and surgery. Natural history and other scientific subjects are represented in the library collections, reflecting the work of 19th century College museum curators responsible for the Hunterian Museum. Further information on all of these collections is available on the College website at rcseng.ac.uk.

11. Investments

	Portfolio	Property	2023	2022
	£000	£000	£000	£000
Investments				
Quoted securities at market value	57,657	-	57,657	62,171
Deposits with Investment Managers	4,829	-	4,829	1,082
Investment properties at fair value	-	10,420	10,420	11,645
Fair value at 30 June	**62,486**	**10,420**	**72,906**	**74,898**
Movements in the year:				
Fair value at 1 July	63,253	11,645	74,898	78,672
Additions	674	-	674	520
Disposals	(2,777)	-	(2,777)	(3,052)
Net gain/(loss) during the year	1,336	(1,225)	111	(1,242)
Fair value at 30 June	**62,486**	**10,420**	**72,906**	**74,898**
Cost at 30 June	**60,327**	**4,537**	**64,864**	**67,390**
Portfolio UK investments	4,829	-	4,829	1,082
Portfolio overseas investments	57,657	-	57,657	62,171
Portfolio fair value at 30 June	**62,486**	**-**	**62,486**	**63,253**

	Cost	Fair Value 2022	Fair Value 2023	SOFA Gain/(Loss)
Investment Properties	£000	£000	£000	£000
49-50a Lincoln's Inn Fields	336	3,125	2,630	(495)
38-43 Lincoln's Inn Fields (Leased Floor 2)	4,201	8,520	7,790	(730)
Investment Property	**4,537**	**11,645**	**10,420**	**(1,225)**

Our investment fund managers may enter into commitments to purchase various currencies under forward rate contracts as part of their overall investment management strategy. At 30 June 2023 there were no such forward contract commitments (2022: -£187k).

The second floor of the freehold property, which is intended to be leased to other organisations and is not therefore available for operational use, is held as an investment property. The investment property had a cost of £4.2m on transfer from tangible fixed assets in 2021. A valuation of £7.79m exclusive of VAT has been attributed to the investment property as part of the valuation of the whole building carried out by Gerald Eve on 12 June 2023 resulting in a revised overall net unrealised gain of £3.6m and a decrease of £730k on 2022 (2022: £4.3m). A discount of 1% (2022: 1.15%) has been applied to the rental yield assumptions to reflect the "strip" nature of the investment property.

A valuation of the College's investment property at 49–50a Lincoln's Inn Fields at 30 June 2023 was also carried out by Gerald Eve on 12 June 2023. This resulted in the carrying value of these assets decreasing by £495k to £2.63m (2022: £3.125m), reflecting both the relative condition of the property and also the decreasing income security ahead of the main tenant break date in February 2025.

The valuers have confirmed that there have been no material changes to the properties or their immediate locality between the inspection date and the valuation date of 30 June 2023. The valuations are undertaken by an independent valuer as defined by the Valuation Standards and assurance is obtained that the individuals carrying out these valuations have the appropriate knowledge, skills and experience to undertake the valuation competently.

12. Debtors

	2023		2022	
	Group	RCS	Group	RCS
	£000	£000	£000	£000
Trade debtors	2,772	2,772	1,696	1,696
Membership debtors	1,638	1,638	1,542	1,542
Accrued income	3,365	3,365	1,232	1,232
Prepayments	677	677	590	590
Other debtors including taxation	409	409	88	88
Amounts owed to group undertakings	-	619	-	87
Total	**8,861**	**9,480**	**5,148**	**5,235**

13. Creditors

	2023		2022	
	Group	RCS	Group	RCS
	£000	£000	£000	£000
13a. Amounts falling due within one year				
Accruals	4,252	4,252	6,015	6,015
Membership income in advance	3,456	3,456	3,333	3,333
Deferred income	4,729	4,729	3,971	3,971
Research grants payable	1,830	1,830	1,786	1,786
Trade creditors	1,014	1,014	657	657
Other creditors	291	291	72	72
Taxation and social security	282	282	283	283
Defined benefit pension liability	-	-	-	-
Amounts owed to group undertakings	-	619	-	87
Total	**15,854**	**16,473**	**16,117**	**16,204**
13b. Amounts falling due after one year				
Research grants payable	-	-	-	-
Defined benefit pension liability	3,101	3,101	3,206	3,206
Long-term loan	40,000	40,000	40,000	40,000
Total	**43,101**	**43,101**	**43,206**	**43,206**
13c. Analysis of deferred income				
Brought forward at 1 July	3,971	3,971	4,144	4,144
Deferred during the year	4,729	4,729	3,971	3,971
Released as income during the year	(3,971)	(3,971)	(4,144)	(4,144)
Carried forward at 30 June	**4,729**	**4,729**	**3,971**	**3,971**

Deferred Income comprises examination fees, course fees and accreditation fees.

Long-term loan

In the autumn of 2020, the College secured long-term financing through a private placement issue with Pension Insurance Corporation Group Ltd, a UK-based insurance company. The issue provided £40m of unsecured funding at an annual coupon rate of 2.22% with a maturity date of 30 years (due 3 November 2050) and weighted average life of 20.05 years. This funding was settled on 3 November 2020. The funds have been used to fund the redevelopment costs of the freehold property and the works to build and fit-out the Hunterian Museum.

Interest is payable semi-annually on 3 May and 3 November each year and commenced on 3 May 2021. The principal sum will be repayable semi-annually on the 3 May and 3 November each year commencing 3 May 2026 until 3 May 2050 with a final sum of £8.15m repayable on 3 November 2050. The loan carries one financial covenant that must be tested on an annual basis. The covenant requires that the ratio of net debt of the Group to the net assets of the Group at 30 June shall not exceed 50%.

14. Financial instruments

	2023	2022
	£000	£000
Financial assets measured at amortised cost	16,396	15,393
Financial assets measured at fair value	62,486	63,253
Financial liabilities measured at amortised cost	(46,863)	(48,167)

15. Hunter Trading Limited

	2023	2022
	£000	£000
Profit & loss account		
Income	656	126
Expenditure	37	39
Profit before tax	**619**	**87**
Profits gifted to RCS	(619)	(87)
Result for the Year	**-**	**-**

	2023	2022
	£000	£000
Balance sheet		
Debtors	619	87
Creditors: due within 1 year	(619)	(87)
Net Assets	**-**	**-**

The College holds the entire issued £1 share capital of Hunter Trading Limited.

Conference events trading recommenced in 2021–22 following the opening of the new building in May 2021. The College entered into a commission agreement in 2021 with Searcys, a long-established, independent and highly respected catering company. Commission under the profit share arrangement became receivable for the first time in this second year of trading. The company has delivered a very strong trading performance that has exceeded expectations for this year. The café posted a deficit of £7k for the year which is borne fully by the College (2022: £15k).

16. Unrestricted funds

	2022	Net Surplus/ (Deficit)	Investment Gains/ Losses	SOFA Allocation	Fixed Asset Allocation	Long Term Loan	Transfers from/(to) other Funds	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets reserve net of LT loan	70,057	-	-	(3,906)	2,010	-	-	68,161
Other designated funds	1,108	-	-	-	(466)	-	-	642
Property revaluation reserve	4,184	-	(1,225)	-	-	-	-	2,959
Pension reserve	(3,206)	-	-	105	-	-	-	(3,101)
General funds	21,422	(2,377)	547	3,801	(1,544)	-	-	21,849
Total	**93,565**	**(2,377)**	**(678)**	**-**	**-**	**-**	**-**	**90,510**

Unrestricted reserves have decreased overall by 3% or just over £3m in the year. This is represented by a net expenditure position of £2.4m for the year and a net unrealised loss of £678k on unrestricted investments.

The investment loss comprises a net unrealised gain of £547k in respect of the unrestricted investments portfolio and a net unrealised loss of £1.225m in respect of investment properties. The investment property loss comprises a loss of £730k in respect of the leased second floor and a loss of £495k in respect of 49–50 Lincoln's Inn Fields. A property revaluation reserve is set up to hold investment gains or losses arising in respect of the investment properties.

General funds have risen 2% or £427k to £21.85m. The £40m loan to finance the property redevelopment is allocated to the fixed asset reserve, thereby reducing the amount of the College's funds that are required to be invested in its fixed assets. In-year capital additions transferred to the fixed assets reserve totalled £2m.

General funds are broadly represented by the value of the unrestricted investment portfolio. The unrestricted investment portfolio stands at £20.94m as at 30 June 2023, providing 96% cover for general funds of £21.85m.

Unrestricted funds include a negative pension reserve of £3.1m to fund the FRS 102 USS pension deficit liability (see note 20).

The trustees designated £1.5m in 2021 (Other designated funds) to support the next major phase of the digital transformation agenda. A total of £466k had been expended by the end of the year and transferred to the fixed assets reserve leaving a closing fund balance of £642k.

17. Restricted funds

	2022	Income	Expenditure	Gains/(Losses)	Transfers	2023
	£000	£000	£000	£000	£000	£000
Trust Funds	2,207	319	(591)	43	-	1,978
Other restricted funds	2,541	4,911	(3,561)	-	-	3,891
Total Restricted Funds	**4,748**	**5,230**	**(4,152)**	**43**	**-**	**5,869**
RCS has 26 trust funds and their position is set out below:						
Research Trust Funds:						
Sir Alan Parks Research Fund	182	2	(1)	3	-	186
Saven Research & Development Programme	241	253	(122)	5	-	377
Surgical Research Fund	237	12	(68)	4	-	185
Mr Sorab J Lam Legacy	215	3	(85)	4	-	137
Ethicon Travelling Fellowship	191	3	(9)	4	-	189
Moondance Foundation	151	2	(156)	3	-	-
Modi Fund	137	1	(1)	3	-	140
Blond McIndoe (Joint Fund with Education)	95	1	(1)	2	-	97
The Arthritis Research Trust	78	1	-	3	-	82
Roberta Swan Legacy	75	1	(69)	1	-	8
Preiskel Fund	72	3	(4)	2	-	73
RCSE Fellows Fellowship Fund	53	25	-	-	-	78
Miss Carol Rummey Legacy	53	1	(1)	1	-	54
Gunnar Nilsson Cancer Treatment Trust Fund	53	8	(47)	2	-	16
Dunhill Medical Trust	24	-	(24)	-	-	-
Curry Legacy Damage/Pain	17	-	-	-	-	17
H Speight Discretionary Trust	17	-	-	-	-	17
Phyllis A George Legacy	8	-	-	-	-	8
Cutner Legacy	7	-	-	-	-	7
Rex & Jean Lawrie O/S Fund	5	-	-	-	-	5
Ethicon Research Fund	1	-	-	-	-	1
Shrimpton Fund	1	-	-	-	-	1
Education & Training Trust Funds:						
E&T Haddock Legacy	97	1	(1)	2	-	99
Faculty of Dental Surgery Funds:						
J W Mclean Fund	197	2	(2)	4	-	201
Total Trust Funds	**2,207**	**319**	**(591)**	**43**	**-**	**1,978**
Other restricted funds:						
National Cancer Audit Collaborating Centre	-	1,399	(240)	-	-	1,159
Transform Fundraising	554	55	(206)	-	-	403
National Lung Cancer Audit	118	294	(62)	-	-	350
eDEN (elearning for dentistry)	249	20	2	-	-	271
National Vascular Registry	229	316	(289)	-	-	256
Robotics	250	-	-	-	-	250
Expert Advisory Network	102	55	(9)	-	-	148
National Prostate Cancer Audit	96	298	(251)	-	-	143
FDS-NAC	148	10	(22)	-	-	136
Breast Cancer Project	150	74	(89)	-	-	135
NIHR Clinical Research	-	120	(3)	-	-	117
Other Balances less than £100,000	645	2,270	(2,392)	-	-	523
Total Other Funds	**2,541**	**4,911**	**(3,561)**	**-**	**-**	**3,891**
Total Restricted Funds	**4,748**	**5,230**	**(4,152)**	**43**	**-**	**5,869**

18. Endowed funds

	Unapplied Total Return	Permanent Capital	Total Endowment
	£000	£000	£000
Endowed Funds at 1 July 2022	24,223	14,951	39,174
Investment income	457	-	457
Legacy income	-		-
Investment gains/(losses)	746	-	746
Total income and gains	**1,203**	**-**	**1,203**
Application of total return	(1,488)	-	(1,488)
Investment management fees	(234)	-	(234)
Total application and fees	**(1,722)**	**-**	**(1,722)**
Net movement in year	**(519)**	**-**	**(519)**
Total Endowed Funds at 30 June 2023	**23,704**	**14,951**	**38,655**

RCS England has 22 endowed funds and the 2022–23 position is set out below by fund.

Fund Name	Unapplied Total Return 2022 £000	Legacy income £000	Investment Income £000	Investment Gains/ (Losses) £000	Applied Total Return 2023 £000	Investment Fees £000	Transfer of Funds £000	Unapplied Total Return 2023 £000	Permanent Capital £000	2023 Total £000
RCSE Research Fund	5,244	-	106	172	(358)	(54)	-	5,110	3,784	8,894
RCSE Education Fund	4,505	-	79	130	(384)	(41)	-	4,289	2,262	6,551
RCSE Cancer Research Fund	3,327	-	59	96	(213)	(30)	-	3,239	1,756	4,995
Presidents Finch Fund	1,357	-	40	65	(73)	(20)	-	1,369	2,108	3,477
Dental Science Research Fund	1,571	-	31	50	(103)	(16)	-	1,533	1,016	2,549
Rank Chair Physics in Surgery	1,462	-	29	47	(108)	(15)	-	1,415	955	2,370
RCSE Library Fund	1,350	-	25	41	(97)	(13)	-	1,306	833	2,139
RCSE Biochemical Research Fund	775	-	14	22	(41)	(7)	-	763	374	1,137
Macrae-Webb Johnson Fund	443	-	10	17	(40)	(5)	-	425	425	850
Witt Fund	630	-	9	15	(3)	(5)	-	646	182	828
Moser Trust (FDS)	544	-	8	13	(2)	(4)	-	559	173	732
HS Morton Travelling Fellowship	432	-	7	12	(7)	(4)	-	440	200	640
Groves Bequest for Museum	426	-	7	11	(22)	(3)	-	419	161	580
George Qvist for Hunterian	356	-	7	11	(22)	(3)	-	349	209	558
John Kinross Fund	422	-	6	10	(2)	(3)	-	433	104	537
RCSE Prize Fund	371	-	5	8	(2)	(3)	-	379	61	440
Sims Commonwealth Travel Fellowship	250	-	4	7	(1)	(2)	-	258	106	364
Commemoration Fund (FDS)	207	-	3	5	(1)	(2)	-	212	66	278
RCSE Scholarship Fund	177	-	3	4	(1)	(1)	-	182	51	233
Rishworth Fund for Annals	141	-	2	4	(1)	(1)	-	145	50	195
Darlow Fellowship Fund	121	-	2	4	(3)	(1)	-	123	67	190
RCSE Museum Fund	112	-	1	2	(4)	(1)	-	110	8	118
Total Endowed Funds	**24,223**	**-**	**457**	**746**	**(1,488)**	**(234)**	**-**	**23,704**	**14,951**	**38,655**

8 of the 22 funds have closing balances greater than £1m, amounting to £32.1m of the £38.65m of funds at 30 June 2023. A brief description of their purposes is provided below.

Fund name	Purpose of fund
RCSE Research Fund	To promote, carry on and fund study and research into surgery and related subjects and to publish useful results of such study and research
RCSE Education Fund	To educate surgeons, medical practitioners and the general public in the art, science and practice of surgery and related subjects and to further instruction and training in surgery
RCSE Cancer Research Fund	To promote, carry on and fund study and research into cancer and its preventative treatment and care and to publish useful results of such study and research
Presidents Finch Fund	Income to be applied for charitable purposes which will be of service for the welfare and advancement of the Science and Art of Surgery
Dental Science Research Fund	For the promotion of research into improving dental treatment and dental health
Rank Chair Physics in Surgery	To support research work
RCSE Library Fund	To promote, carry on, maintain and fund the establishment of libraries of the RCS for the furtherance of study and research into surgery and related objects
RCSE Biochemical Research Fund	To further biochemical research by such means as the Trustees shall from time to time see fit

The remaining 14 funds with balances of less than £1m, and amounting to £6.5m, are summarised under the following categories:

Research Funds	Faculty of Dental Surgery Funds	Museum Funds	Travelling Fellowship (F/S) Funds	Other Funds
Darlow Fellowship Fund	Commemoration Fund	Macrae-Webb Johnson Fund	HS Morton Travelling F/S	Rishworth Fund for Annals
RCSE Prize Fund	Moser Trust	Groves Bequest for Museum	Sims Commonwealth Travel F/S	John Kinross Fund
RCSE Scholarship Fund		George Qvist for Hunterian		
Witt Fund		RCSE Museum Fund		

19. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	Endowed Funds	2023
As at 30 June 2023	**£000**	**£000**	**£000**	**£000**
Tangible fixed assets	102,676	-	-	102,676
Intangible fixed assets	1,280	4	-	1,284
Investments	31,364	2,061	39,481	72,906
Current assets	11,980	5,064	79	17,123
Current liabilities	(13,689)	(1,260)	(905)	(15,854)
Liabilities after 1 year	(43,101)	-	-	(43,101)
Total Funds	**90,510**	**5,869**	**38,655**	**135,034**

	Unrestricted Funds	Restricted Funds	Endowed Funds	2023
As at 30 June 2022	**£000**	**£000**	**£000**	**£000**
Tangible fixed assets	104,001	-	-	104,001
Intangible fixed assets	1,849	6	-	1,855
Investments	32,879	2,334	39,685	74,898
Current assets	11,535	3,967	554	16,056
Current liabilities	(13,493)	(1,559)	(1,065)	(16,117)
Liabilities after 1 year	(43,206)	-	-	(43,206)
Total Funds	**93,565**	**4,748**	**39,174**	**137,487**

20. Pension liabilities and charges

	2023	2022
	£000	£000
USS Defined pension liability	**3,101**	**3,206**
Liability less than 1 year	-	-
Liability greater than 1 year	3,101	3,206
Summary of pension scheme charges to Statement of Financial activities:		
USS	744	2,435
SAUL	659	525
Standard Life	90	76
NHS	42	41
Total	**1,535**	**3,077**
Charges in respect of the USS scheme to Statement of Financial activities:		
Employer contributions	849	832
Contributions allocated to deficit provision	(244)	(79)
Change in contributions from past expectations	20	1,656
Total pension contribution cost	625	2,409
Interest payable	119	26
Total pension charge	744	2,435
Charges in respect of the SAUL scheme to Statement of Financial activities:		
Employer contributions	659	525
Release of liability provision	-	-
Total pension charge	659	525
Scheme employee members	Nos.	Nos.
USS	78	74
SAUL	103	99
Standard Life	32	32
NHS	4	7
Total employees in a pension scheme	217	212

The College participates in two multi-employer defined benefit pension schemes, USS and SAUL. Both schemes carry out a formal actuarial valuation every three years as required by the Pensions Act 2004. The latest available complete actuarial valuations were carried out with an effective date of 31 March 2020. The SAUL scheme carries out informal reviews of the funding position between formal valuations, reflecting changes in market conditions, cash flow information and new accrual of benefits.

The 2020 USS valuation was completed in October 2021 resulting in the current deficit recovery plan. The SAUL scheme reported a Technical Provisions deficit at the latest triennial valuation of 31 March 2020 but allowed for post-valuation positive market performance to 30 April 2021 which placed the scheme in a Technical Provisions surplus at that date and removed the requirement for any deficit recovery plan. The funding principles were agreed in June 2021.

In accordance with Section 28 of the FRS 102 reporting standard, the College is required to recognise its share of the liability for the contributions payable under any deficit recovery agreement in existence at the date of approving the financial statements and the resulting expense in the income and expenditure account. The calculated share of the defined pension scheme liability and charge to the statement of financial activities are allocated fully to unrestricted funds on the basis that the conditions pertaining to the use of the College's restricted funds preclude charges of this nature.

Assumptions used to calculate the share of USS pension liability

The liability has been recalculated using the USS financial model provided with reference to a deficit recovery period from 1 July 2022 to 30 April 2038.

Calculation Assumptions	2023	2022
Discount Rate	5.10%	3.70%
Projected Salary inflation:		
2023 to 2024	4.5%	2.0%
2024 to 2025	3.5%	2.0%
2025 to 2038	2.0%	2.0%

The discount rate is based on the iBoxx Sterling AA Corporate Bond rate over 15 years prevailing at the 30 June of each relevant year. Salary inflation assumptions take into account the level of annual pay increase set in the April before the relevant year-end and a prudent estimation of future salary inflation that aligns over an appropriate timeframe to the Bank of England long-term inflation target of 2%. The calculation includes an assumption that scheme member numbers will reduce marginally in the next year reflecting an ongoing realignment of member numbers to the qualifying grades for scheme membership. The assumptions underpinning the calculation reflect a prudent assessment of the available information and options but represents a key area of estimation uncertainty in the financial statements.

USS 2020 valuation

The 2020 valuation and funding proposals, which included making changes to future member benefits from 1 April 2022, were agreed by October 2021 and filed with The Pensions Regulator with an effective date of 1 October 2021.

Under the 2020 valuation and deficit recovery plan, the scheme contribution rates were set at 31.2% of salaries (employer 21.4%, employee 9.8%) between 1 October 2021 and 31 March 2022 with no deficit contribution payment required in this period (set at 2% up to 30 September 2021). This represented a rise of 0.5% (employer 0.3%, employee 0.2%) from the previous level of scheme contributions. From 1 April 2022 employer contributions increased by a further 0.2% raising total scheme contribution rates to 31.4% and the deficit contribution payment rose to 6.2%. These rates are in place for two years until 31 March 2024 when the employer contribution rate will fall back to 21.4% and the deficit contribution payment will rise to 6.3%. The past service contributions are expected to remove the deficit by 30 April 2038 based upon the assumptions set out in the recovery plan.

SAUL 2020 valuation

The 2020 actuarial valuation funding principles were agreed by the Trustee and employers in June 2021. These will be reviewed at the next formal valuation in 2023. The 2020 valuation confirmed that the scheme was 94% funded on its Technical Provisions basis at 31 March 2020 with its assets valued at £3,612m. However, the Trustee and employers agreed to allow for positive post-valuation market movements up to 30 April 2021 on which date SAUL reported a Technical Provisions surplus of £357m with its assets valued at £4,369m representing 109% of estimated liabilities. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required and there is no defined benefit liability to be recognised.

The 2020 valuation also revealed a significant increase in the cost of new benefit accrual and the contribution strain which led to the Trustee and employers agreeing to an increase in employer contributions from 16% of Career Average Revalued Earnings (CARE) salaries to 19% of CARE salaries from 1 April 2022 and to 21% of CARE salaries from 1 January 2023.

2023 valuations

The formal 2023 valuations for both schemes with an effective date of 31 March 2023 are in progress, with consultations with relevant stakeholders and employer covenant assessments being undertaken. The process is

expected to be completed in time for any changes to be implemented by April 2024. Both schemes are expecting the valuations to show improved funding positions, with both schemes expecting to be in surplus positions, reflecting the changes in market conditions since the 2020 valuations.

Supplementary scheme disclosures

Since the College cannot identify its share of the assets and liabilities of the USS and SAUL schemes, the following disclosures have been provided by the respective pension schemes to reflect those relevant for the schemes as a whole.

USS

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective that is to have sufficient and appropriate assets to cover their Technical Provisions.

At the valuation date, the value of the assets of the scheme was £66.5bn and the value of the scheme's Technical Provisions was £80.6bn representing a shortfall of £14.1bn and funding ratio of 83%. The assets therefore were sufficient to cover 83% of the benefits that had accrued to members after allowing for expected future increases in earnings.

Scheme summary position at 31 March	2023 2020 Valuation
	£bn
Scheme assets	66.5
Scheme liabilities	80.6
FRS 102 Scheme Deficit	(14.1)
FRS 102 Funding Level	83%

The key financial and demographic assumptions used in the 2020 valuation are set out below.

2020 Valuation Assumptions	
Financial assumptions	
CPI assumptions	Term dependent rates in line with difference between Fixed interest and Index listed yield curves
Years to 2030	less 1.1% p.a.
2030 to 2040	reducing linearly by 0.1% p.a.
From 2040	long term difference of 0.1% p.a.
Pension increases	Subject to 0% floor, CPI assumption plus 0.05%
Discount rate (forward years)	Fixed interest gilt yield curve plus
Pre-retirement	2.75% p.a.
Post-retirement	1% p.a.
Demographic assumptions	
Mortality base table	
Males	101% of S2PMA "light"
Females	95% of S3PFA
Future improvements to mortality	CM1_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

	2023 2020 Valuation	2022 2020 Valuation
Life expectancies on retirement at age 65		
Males currently aged 65 years	24.0	23.9
Females currently aged 65 years	25.6	25.5
Males currently aged 45 years	26.0	25.9
Females currently aged 45 years	27.4	27.3

SAUL

SAUL is a centralised defined benefit scheme within the United Kingdom for the non-academic staff of over 50 colleges and institutions with links to higher education.

The SAUL Final Salary Section closed at 31 March 2016 and from 1 April 2016 all members now build up pension benefits on a CARE basis.

The College is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the Technical Provisions). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from members' accrued pension rights to be met. The Technical Provisions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

Other pension schemes

The College pays a contribution rate of 9% into the Standard Life defined contribution scheme and a contribution rate of 14.38% into the NHS Pension Scheme. No contributions in respect of these schemes were outstanding at the balance sheet date.

21. Transactions with trustees

No trustees receive any fees or honoraria for their services. Trustees may incur expenses in the carrying out of their duties; for example, travel, subsistence and accommodation costs. These expenses may be reimbursed to the trustees or paid directly by the College to third parties on their behalf. Expenses totalling £43k were incurred in respect of 8 trustees during the 2022–23 year (2022: £23k in respect of 8 trustees). There were no sessional payments made in the year (2022: £5k).

The President of the College, Professor Neil Mortensen, received the following benefits during the reporting period in order to carry out his trustee duties:

- provision of rental accommodation amounting to £79k (2022: £27k);
- provision of broadband amounting to £6k (2022: £35k);
- settlement of tax arising on the above benefits amounting to £71k (2022: £65k).

These benefits were approved by the lay trustees of the Board under the authority of the College's ordinances.

Donations totalling £1k were received from trustees during the current period (2022: £1k).

There were no related party transactions in the period.

22. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £0.9m in respect of software build and design contracts delivering the IT transformation programme (2022: £0.62m).

23. Operating leases

	2023	2022
	Office Equipment	Office Equipment
	£000	£000
Payments due:		
Within one year	13	13
Between one and two years	13	13
Between two and five years	9	22
Total	35	48

These represent the future minimum payments that the College is committed to make under operating leases.

24. Restricted funds 2022 for comparison

	2021 £000	Income £00	Expenditure £000	Gains/(Losses) £000	Transfers £000	2022 £000
Trust Funds	2,449	216	(436)	(22)	-	2,207
Other restricted funds	2,839	4,049	(4,347)	-	-	2,541
Total Restricted Funds	**5,288**	**4,265**	**(4,783)**	**(22)**	**-**	**4,748**
RCS has 26 trust funds and their position is set out below:						
Research Trust Funds:						
Sir Alan Parks Research Fund	255	2	(73)	(2)	-	182
Saven Research & Development Programme	319	3	(78)	(3)	-	241
Surgical Research Fund	272	18	(51)	(2)	-	237
Mr Sorab J Lam Legacy	226	2	(10)	(3)	-	215
Ethicon Travelling Fellowship	197	1	(5)	(2)	-	191
Moondance Foundation	210	2	(59)	(2)	-	151
Modi Fund	138	1	(1)	(1)	-	137
Blond McIndoe (Joint Fund with Education)	96	1	(1)	(1)	-	95
The Arthritis Research Trust	125	5	(51)	(1)	-	78
Roberta Swan Legacy	-	75	-	-	-	75
Preiskel Fund	74	3	(4)	(1)	-	72
RCSE Fellows Fellowship Fund	99	7	(52)	(1)	-	53
Miss Carol Rummey Legacy	53	-	-	-	-	53
Gunnar Nilsson Cancer Treatment Trust Fund	-	90	(37)	-	-	53
Dunhill Medical Trust	27	-	(3)	-	-	24
Curry Legacy Damage/Pain	17	-	-	-	-	17
H Speight Discretionary Trust	21	-	(4)	-	-	17
Phyllis A George Legacy	8	-	-	-	-	8
Cutner Legacy	3	4	-	-	-	7
Rex & Jean Lawrie O/S Fund	5	-	-	-	-	5
Ethicon Research Fund	1	-	-	-	-	1
Shrimpton Fund	1	-	-	-	-	1
Fletcher Legacy	4	-	(4)	-	-	-
Education & Training Trust Funds:						
E&T Haddock Legacy	98	1	(1)	(1)	-	97
Faculty of Dental Surgery Funds:						
J W Mclean Fund	197	1	(2)	(2)	3	197
Faculty of General Dental Practice (UK) Funds:						
Research Fund (Faculty of General Dental Practice(UK))	3	-	-	-	(3)	-
Total Trust Funds	**2,449**	**216**	**(436)**	**(22)**	**-**	**2,207**
Other restricted funds:						
Transform Fundraising	500	242	(188)	-	-	554
Robotics	-	250	-	-	-	250
eDEN (elearning for dentistry)	253	10	(14)	-	-	249
National Vascular Registry	220	312	(303)	-	-	229
Breast Cancer Project	77	298	(225)	-	-	150
FDS-NAC	141	24	(17)	-	-	148
National Lung Cancer Audit	-	122	(4)	-	-	118
Anatomy Project	87	50	(29)	-	-	108
Expert Advisory Network	50	54	(2)	-	-	102
Other Balances less than £100,000	1,511	2,687	(3,565)	-	-	633
Total Other Funds	**2,839**	**4,049**	**(4,347)**	**-**	**-**	**2,541**
Total Restricted Funds	**5,288**	**4,265**	**(4,783)**	**(22)**	**-**	**4,748**

25. Endowed funds 2022 for comparison

	Unapplied Total Return	Permanent Capital	Total Endowment
	£000	£000	£000
Endowed Funds at 1 July 2021	26,261	14,951	41,212
Investment income	298	-	298
Legacy income	475	-	475
Investment losses	(375)	-	(375)
Total income and gains	**398**	**-**	**398**
Application of total return	(1,676)	-	(1,676)
Investment management fees	(260)	-	(260)
Transfers	(500)	-	(500)
Total application and fees	**(2,436)**	**-**	**(2,436)**
Net movement in year	**(2,038)**	**-**	**(2,038)**
Total Endowed Funds at 30 June 2022	**24,223**	**14,951**	**39,174**

RCS has 22 endowed funds and the 2021-22 position is set out below by fund:

	Unapplied Total Return 2021	Legacy income	Investment Income	Investment (Losses)	Applied Total Return 2022	Investment Fees	Transfer of Funds	Unapplied Total Return 2022	Permanent Capital	2022 Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
RCSE Research Fund	5,947	-	71	(90)	(622)	(62)	-	5,244	3,784	9,028
RCSE Education Fund	4,878	-	51	(64)	(315)	(45)	-	4,505	2,262	6,767
RCSE Cancer Research Fund	3,493	-	38	(48)	(123)	(33)	-	3,327	1,756	5,083
Presidents Finch Fund	1,423	-	25	(32)	(37)	(22)	-	1,357	2,108	3,465
Dental Science Research Fund	1,792	-	20	(25)	(198)	(18)	-	1,571	1,016	2,587
Rank Chair Physics in Surgery	1,635	-	19	(24)	(152)	(16)	-	1,462	955	2,417
RCSE Library Fund	1,466	-	17	(21)	(98)	(14)	-	1,350	833	2,183
RCSE Biochemical Research Fund	821	-	9	(11)	(36)	(8)	-	775	374	1,149
Macrae-Webb Johnson Fund	996	-	10	(13)	(41)	(9)	(500)	443	425	868
Witt Fund	159	475	2	(3)	(1)	(2)	-	630	182	812
Moser Trust (FDS)	554	-	5	(7)	(3)	(5)	-	544	173	717
HS Morton Travelling Fellowship	439	-	5	(6)	(2)	(4)	-	432	200	632
Groves Bequest for Museum	449	-	4	(5)	(18)	(4)	-	426	161	587
George Qvist for Hunterian	379	-	4	(5)	(18)	(4)	-	356	209	565
John Kinross Fund	428	-	4	(5)	(2)	(3)	-	422	104	526
RCSE Prize Fund	377	-	3	(4)	(2)	(3)	-	371	61	432
Sims Commonwealth Travel Fellowship	253	-	3	(3)	(1)	(2)	-	250	106	356
Commemoration Fund (FDS)	210	-	2	(2)	(1)	(2)	-	207	66	273
RCSE Scholarship Fund	179	-	2	(2)	(1)	(1)	-	177	51	228
Rishworth Fund for Annals	143	-	2	(2)	(1)	(1)	-	141	50	191
Darlow Fellowship Fund	124	-	1	(2)	(1)	(1)	-	121	67	188
RCSE Museum Fund	116	-	1	(1)	(3)	(1)	-	112	8	120
Total Endowed Funds	**26,261**	**475**	**298**	**(375)**	**(1,676)**	**(260)**	**(500)**	**24,223**	**14,951**	**39,174**

26. Statement of financial activities for the year ended 30 June 2022 for comparison

	Notes	Unrestricted Funds £000	Unrestricted Discontinued Operations £000	Restricted Funds £000	Endowed Funds £000	Totals £000	2021 £000
Income From							
Grants, donations & legacies	5a	779	-	4,060	475	5,314	4,942
Charitable activities	5b	21,596	-	119	-	21,715	21,178
Trading activities	5c	295	-	68	-	363	199
Investment Income	5d	376	-	18	298	692	601
Other income	5e	-	-	-	-	-	-
Total Income		**23,046**	**-**	**4,265**	**773**	**28,084**	**26,920**
Expenditure On							
Raising funds	6a	557	-	204	260	1,021	928
Charitable activities	6b	20,517	95	6,255	-	26,867	24,609
Other expenditure	6c	6,558	-	-	-	6,558	4,028
Total Expenditure		**27,632**	**95**	**6,459**	**260**	**34,446**	**29,565**
Net income/(expenditure) before investment gains/(losses)		**(4,586)**	**(95)**	**(2,194)**	**513**	**(6,362)**	**(2,645)**
Net gains/(losses) on investments	11	(845)	-	(22)	(375)	(1,242)	10,867
Net Income/(Expenditure)		**(5,431)**	**(95)**	**(2,216)**	**138**	**(7,604)**	**8,222**
Transfer between funds	16 & 18	405	95	-	(500)	-	-
Application of Total Return	18	-	-	1,676	(1,676)	-	-
Net movement in funds for the year		**(5,026)**	**-**	**(540)**	**(2,038)**	**(7,604)**	**8,222**
Balances brought forward at 1 July	19	98,591	-	5,288	41,212	145,091	136,869
Balances carried forward at 30 June	**19**	**93,565**	**-**	**4,748**	**39,174**	**137,487**	**145,091**

Reference and administrative details

Principal advisors

Bankers

C Hoare & Co	37 Fleet Street, London EC4P 4DQ

External auditor

Crowe U.K. LLP	55 Ludgate Hill, London EC4M 7JW

Internal auditor

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Lendlease Consulting Ltd	Level 9, 5 Merchant Square, London W2 1BQ

Real estate advisors

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Registered Office

The Charity's registered office is at 38–43 Lincoln's Inn Fields, London WC2A 3PE.

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ROYAL COLLEGE OF SURGEONS OF ENGLAND

England & Wales - Charity number 212808

Accounts

The Royal College of Surgeons of England

Annual report and accounts 2021–22

Charity no. 212808

Contents

OVERVIEW

President's foreword 1
Chief Executive's statement 3

TRUSTEES' REPORT 6

OUR OBJECTS AND AIMS 6
WHAT WE HAVE ACHIEVED THIS YEAR 7

Leading the profession 7
Improving practice 9
Engaging our members 16
Embracing diversity 19
Transforming our College 21
Promoting public and professional engagement 22
Fundraising 25
Our new home of surgery 26
Looking ahead 26

FINANCIAL REVIEW 27

FUNDING PARTNERSHIPS 40
STRUCTURE, GOVERNANCE AND MANAGEMENT 42
STATEMENT OF TRUSTEES' RESPONSIBILITIES 47

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL COLLEGE OF SURGEONS OF ENGLAND 48

FINANCIAL STATEMENTS 52

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES 52
CONSOLIDATED BALANCE SHEET 53
CONSOLIDATED CASH FLOW STATEMENT 54
NOTES TO THE FINANCIAL STATEMENTS 55

REFERENCE AND ADMINISTRATIVE DETAILS 87

President's foreword

I am pleased to present the annual report for my second year as President. This last year has felt like a re-emergence as we all get used to the new normal of a post-pandemic world. It has given me great pleasure to welcome many of you back into our state of the art new building. The Vice-Presidents and I have also been able to get out again, meeting surgical teams and senior managers at many trusts throughout the UK to hear about the challenges colleagues now face as the NHS tackles a record waiting list of over seven million.

We have hosted a number of in-person and hybrid conferences at the College alongside our programme of webinars, welcoming more than 1,500 attendees. We were also delighted to host the first in-person Future of Surgery show with our partner CloserStill, attended by 2,500 delegates over two days. It has been wonderful to share in the joy of diplomates' days and award lectures that had not taken place in many months. More than 500 diplomates received their diplomas at 16 ceremonies. We have also seen the return of examinations activity to the building.

The task facing colleagues on the frontline is now mammoth. We have continued to lobby government for increased investment in surgical resources, specifically capital funding and adoption of the 'surgical hub' model. In August 2021, we briefed the Secretary of State for Health and Social Care and Downing Street officials. The following month the government announced an additional £1 billion for England to tackle the elective backlog. Crucially, this referenced increasing capacity with surgical hubs. A further £5.9 billion capital funding has since been committed, including £1.5 billion for new surgical hubs.

I continue to meet regularly with Professor Steve Powis at NHS England to make the case for surgery. The health services in Wales and Northern Ireland are under even greater pressure, and we push there for the local changes needed to begin to reduce backlogs.

It is clear that severe workforce problems are also hampering the NHS's ability to tackle the backlog. I am hearing regularly from colleagues who have had to cancel operations due to a lack of anaesthetic and nursing staff. While we do not think gaps are as bad in surgery, it is important that we have a complete picture. Work has begun on developing a workforce

> I would like to reaffirm my admiration for and commitment to colleagues working in hospitals. I, together with the Vice-Presidents, will continue to advocate for the surgical profession... to help you best serve patients

strategy supported by a pan-UK census of the surgical workforce and the challenges it currently faces, so that we can reflect this in our planning.

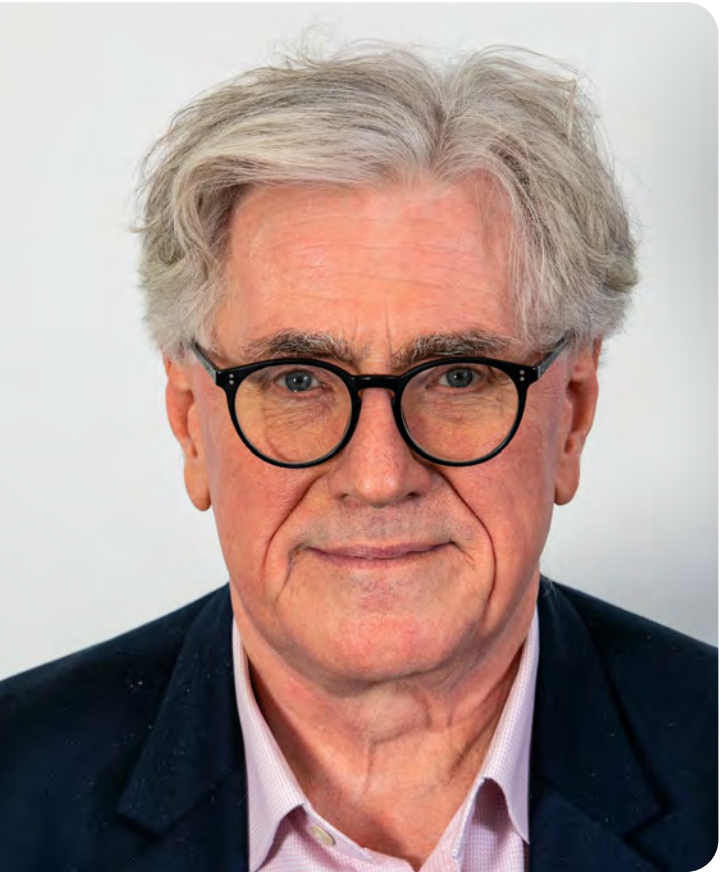
My commitment to making people from all backgrounds feel welcome at the College and in the wider surgical community has not wavered. We were able to celebrate the 30-year anniversary of the Women in Surgery (WinS) network with a virtual conference and a WinS takeover of the September 2021 issue of the *Bulletin*. We also continue to make progress against our Diversity, Equity and Inclusion Action Plan. Confronting the difficult truths laid bare in Baroness Helena Kennedy's review was not easy; however, it has energised us to make the changes that will make us a modern surgical college that serves all our members and fellows.

Looking beyond our own shores, we continue to develop our global agenda. In September 2021, we signed a collaboration agreement with the London School of Economics and Political Science to establish the Global Surgery Policy Unit. This partnership aims to advance global public health, surgical, obstetric and anaesthesia care, with a particular focus on low- and middle-income countries.

As I embark on my last year as President there is still much to do. I am acutely aware that colleagues in hospitals are working under some of the most difficult circumstances we have known as a profession. Morale is low and we risk losing huge talent from our health service too soon. Our doctors in training are run ragged. I would like to reaffirm my admiration for and commitment to colleagues working in hospitals. I, together with the Vice-Presidents, will continue to advocate for the surgical profession, pulling those levers we can, to improve your environment, and crucially, to help you best serve patients.

Neil Mortensen
President

Chief Executive's statement



2021–22 has been a year of celebration and challenge for the College.

We started the year with the launch of our new five-year strategy, Changing the Face of Surgery, with a clear vision of 'excellent surgical care for everyone'. We will achieve our vision by enabling all our members in all their diversity to deliver excellence in everything they do. Our ambitious strategy outlines five strategic aims of leading the profession, improving practice, engaging our members, embracing diversity, and transforming our college. All our activity over the coming years will support these aims. The Faculty of Dental Surgery has also launched its strategy this year with a continued focus on children's oral health and inequalities.

Alongside our strategy, we opened our amazing new building in Lincoln's Inn Fields, which we hope will be the new home of surgery, with state of the art facilities delivering examinations, courses and events, and a place for surgeons, dentists and members of the wider professional teams to come together. The building will also house the new Hunterian Museum, which will open in spring 2023.

Unfortunately, we were still living with and challenged by the impact of COVID-19, especially within our global activity over the past year, which meant delays in getting back to the full programme of our activity, especially exams. However, we are planning to pick up all lost activity in the coming year. Financially, we managed to achieve an operating surplus, largely helped by a generous legacy. However, the economic headwinds affecting all of us were evident and will make the coming financial years even more challenging.

Last year also saw the departure of the Faculty of General Dental Practice, who left to fulfil their long-held ambition to establish their own independent organisation, the College of General Dentistry. We were pleased to host the faculty for over 25 years and wish the new College every success.

We have continued to see growth within our UK surgical membership and, with the starting of examination globally post-pandemic, will see a similar trajectory with members internationally. We have included in this report a breakdown of how we spend your membership fees to show where your money goes.

Following the independent review of diversity and inclusion conducted by Baroness Kennedy KC, we are now over a year into implementing the recommendations as set out in our Action Plan. It has been a year of learning and listening as well as implementation.

Our original work has developed since the release of the report. Some projects have been completed and have been incorporated into our mainstream business as usual, including putting diversity at the heart of our strategy, and arranging for all staff and Council members to undertake anti-discrimination training, which will be repeated annually. Others projects are more complex and are still in progress, although in many cases a great deal of groundwork has been

done. New work streams have also been added since inception, including hosting our LGBTQ+ where we hosted our first ever LGBTQ+ conference 'Out at the College' in the Spring, and more recently our Race, Ethnicity and Belief initiative.

Following the publication of our "Sustainability in Surgery" strategy in Spring 2021 we have embedded financial, environmental and social sustainability with ethical purchasing within the functions of the College alongside supporting our members to deliver surgery for sustainability through our guidance and tools, events and a very successful greener surgery competition in partnership with the Centre for Sustainable Healthcare.

As ever, I would like to thank our tremendous staff team who have worked so hard over the last year, working flexibly both remotely and in our fantastic new working environment.

And finally, may I offer all our members an open invitation to come along and visit your new home of surgery.

Andrew Reed
Chief Executive

Trustees' report

The trustees of the Royal College of Surgeons of England are pleased to present their report for the year ended 30 June 2022.

Our objects and aims

RCS England was established for the study and promotion of the art and science of surgery.
Our vision is to see excellent surgical care for everyone.

Our mission

Our mission is to enable our members, in all their diversity, to deliver excellence in everything they do.

We will do this by:

leading our profession: being the pre-eminent voice of surgery, championing excellent surgical care by engaging the profession, policy makers, patients and the public

improving practice: continually improving the practice, standards and safety of surgical care, and developing the workforce across the UK

engaging our members: inspiring, supporting, educating and representing the professional interests of a growing, diverse membership

embracing diversity: championing the diversity of our profession, treating everyone with respect and compassion, and demonstrating our commitment to fairness, gender equality and anti-racism

transforming our College: building a sustainable, diverse, digital, forward-looking organisation which plays its part in the world and is accountable for everything it does

Our core values

Our values are:

Collaboration: we embrace our collective responsibility, working as one college

Respect: we value every person we come into contact with as an individual, we respect their aspirations and commitments in life, and seek to understand and meet their physical and wellbeing needs

Excellence: we aspire to excellence and success, we share learning from our experiences, apply feedback to practice, and commit to continual improvement

Working for the public benefit

We deliver public benefit through a wide range of activities that influence and support the professional development of surgeons and the delivery of surgical services for the benefit of patients, surgeons and trainee surgeons. We provide strong leadership and support for surgeons in all matters relating to their surgical practice throughout their careers. Our activities and achievements, which all lead to public benefit, reinforce our strategic aims and demonstrate our commitment to maintain the highest standards of surgical practice and patient care.

The trustees confirm that they have paid due regard to the guidance issued by the Charity Commission on public benefit, and further confirm that the activities of RCS England are carried out for public benefit.

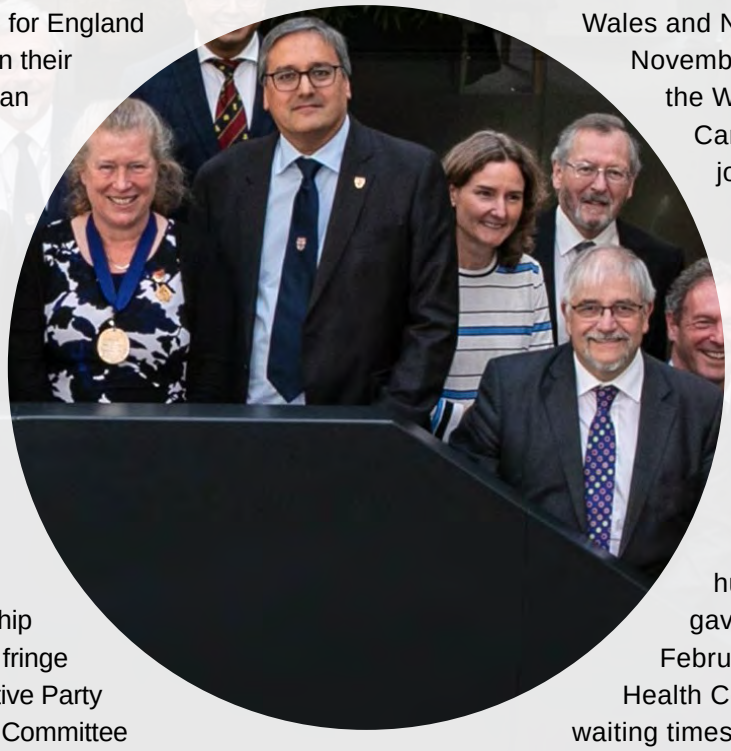
Our work is based on a number of the charitable purposes defined in the Charities Act 2006 – chiefly the advancement of education, the advancement of health or the saving of lives, and the advancement of the arts, culture, heritage or science. We engage directly with the public through the Hunterian Museum, the media, our publications and our journals (the *Annals*, the *Bulletin* and *FDJ*).

What we have achieved this year

Leading our profession

The focus of our influencing work has been on lobbying government for increased investment in surgical resources, specifically capital funding and adoption of the 'surgical hub' model. This strengthened our role as thought leaders and commentators on building surgical capacity, so that surgeons can address the record waiting list that built up through the COVID-19 pandemic.

We briefed an influential think tank – Policy Exchange – on these issues. Their report *A Wait on Your Mind? A realistic proposal for tackling the backlog* agreed with our recommendation to expand the number of surgical hubs. In August, we briefed the Secretary of State for Health and Care and Downing Street officials. In September, the government announced an additional £1bn for England to tackle the elective backlog in their plan 'Build Back Better: Our plan for health and social care'. Crucially, this referenced the need to tackle the backlog through innovation, 'supported by more treatment capacity such as surgical hubs'.



Seeking to firm up this commitment, we gave oral evidence to parliament's Health and Care Committee, stressing the need for surgical hubs in every area. In partnership with Versus Arthritis, we held a fringe meeting at the 2021 Conservative Party Conference with MPs from the Committee and journalist James Forsyth. In October, the Chancellor announced an extra £5.9 billion capital funding in the autumn budget and spending review to help clear the backlog, including £1.5 billion for new surgical hubs, increased bed capacity and equipment. We then contributed to NHS England's 'Delivery plan for tackling the COVID-19 backlog of elective care', which supports our recommendation to establish surgical hubs across the country. In June 2022, our President, Professor Neil Mortensen, was listed in the *HSJ*'s top 100 most influential people in health.

We have been the pre-eminent voice of surgery in the UK media throughout the year: high-profile interviews included College President Professor Neil Mortensen speaking to the BBC News Channel in October about capital spending awards. In February, Council member Miss Nuha Yassin was interviewed by BBC Radio Four's Today Programme on the record NHS waiting list. She said that the way the government can help the NHS is by 'establishing surgical hubs in every area of the country'. Later, on the BBC News Channel, College Vice-President Mr Tim Mitchell welcomed the government's elective recovery plan, to which the College contributed.

Coordinated campaigns were run in Wales and Northern Ireland. In November, we convened the Wales Planned Care Summit, held jointly with the Welsh Government and the Bevan Commission. Some 250 delegates discussed the backlog of planned care in Wales and how to make surgical hubs a reality. We gave oral evidence in February to the Senedd Health Committee on the waiting times backlog and were pleased to see the Committee support our recommendation for the establishment of surgical hubs to improve access to planned surgery in Wales. We joined forces with patient charity Cymru Versus Arthritis to urge health boards to speed up progress reopening and rebuilding elective inpatient orthopaedic services. In April, we welcomed publication by Welsh Government of their Planned Care Recovery Plan, which includes targets

for Welsh health boards to introduce dedicated regional surgical facilities that separate planned surgery from emergency care.

Northern Ireland has the worst waiting times in the UK. Our Northern Ireland Director Professor Mark Taylor gave regular broadcast interviews to the BBC and ITV over the year, explaining how surgical hubs could help to improve access to elective surgery. In February, Mr Taylor hosted the College President on a visit to a new surgical hub at Lagan Valley. They met local health leaders to discuss other prospective sites and engaged with the new medical school at Ulster University, where Professor Mortensen gave a special twilight lecture on his surgical career and the impact of the pandemic on surgery. In advance of Stormont elections in May, we published a 'surgical manifesto' highlighting four key asks: better workforce planning, more surgical hubs, faster elective plan delivery and increased waiting list transparency to benefit patients. Our calls were heard, and the government unveiled plans for two further surgical hubs at Omagh and Musgrave Park Hospitals. Subsequent disagreements over the Brexit-related Northern Ireland Protocol Bill led to a collapse of the government. Together with other royal colleges, we called on Northern Ireland's politicians to restore the political institutions and put health first, issuing a joint statement.

We have been the pre-eminent voice of surgery in the UK media throughout the year:

College spokespeople were quoted **431** times by influential media titles including BBC online, the *Times*, the *Financial Times*, the *Guardian*, the *Daily Telegraph*, the *Health Service Journal* and the *BMJ*.

Our surgeons gave **383** broadcast interviews over the year.

The College was mentioned more than **6,600** times in digital publications around the world, raising our profile as a leading voice globally on surgical policy, training and research.

The Faculty of Dental Surgery was also prominent in the media through the year, with 577 media mentions. Mr Matthew Garrett, the Faculty Dean, was quoted in leading publications, including the *Daily Telegraph*, on the impact that the pandemic and long waits for dental treatment have had on children's oral health (August 2021). A survey that the College undertook revealed in September 2021 that 4 in 10 dental surgeons from the Faculty predicted that it would take at least one year to clear the backlog of patients waiting for dental care in the wake of the pandemic. Nearly one third of respondents in a survey of over 300 dental surgeons said that it had been more difficult to recruit dental staff during the pandemic. The press notices received positive media coverage in the dental press. Mr Garrett was also quoted in the *Times* letters pages in May, expressing concerns over the government's backtracking on plans to introduce a 9pm watershed for advertising foods high in fat, salt and sugar, given their impact on children's oral health. He was also quoted in the dental press in a separate announcement welcoming the government's plans to expand water fluoridation schemes across England.

Improving practice

Quality improvement

Our flagship quality improvement initiatives improving patient care for patients with acute gallstone disease continued to make impressive progress in 2021–22. Our Learning report for CholeQuIC-ER was published in April 2022 and showed how between July 2019 and December 2020 we worked with 22 hospital trusts and health boards across the UK to radically improve outcomes for their patients with gallstone disease by implementing and expanding the learning from our inaugural quality improvement project, CholeQuIC. Our report showed that the full CholeQuIC-ER cohort improved their eight-day surgery rate as well as their average time to surgery for these severely ill patients during the collaborative period. The majority of CholeQuIC-ER sites also improved their eight-day surgery ranking, with one site climbing 81 places. The top two sites for eight-day rates across England and Wales are now held by CholeQuIC-ER participants.

Against this background, and despite the pressures of COVID-19, CholeQuIC3 launched in April 2021 and ran until the end of June 2022, with 12 hospital trusts and health boards participating. Our evaluation of this third phase of the project continues, with early data again showing highly impressive achievements.

Having successfully delivered these quality improvement collaboratives within general surgery, we diversified our work into other surgical specialties. We are delighted that 'Handsfirst', our new quality improvement collaborative to improve care for patients experiencing hand trauma, recruited 25 participant hospitals and is running from Autumn 2021 until February 2023 with sites already completing impressive improvement activity.

Good practice guidance

Two key outputs of our standards and good practice advice portfolio were newly published good practice guides on working in the independent sector and sustainability in surgery.

Working in the independent sector

The Working in the Independent Sector guide was published in May 2022, and is for all surgeons and members of the surgical team whose practice includes work in the independent sector, or who plan to work in the independent sector in the future, and provides practical advice on what to consider when setting up their practice in the independent sector, including:

- regulation
- insurance
- indemnity
- data controller registration
- working under practising privileges, etc.

Upon publication, we met with PHIN (the Private Healthcare Information Network) to discuss the implementation of the guidance, as well as the importance of data collection and use in the independent sector.

Sustainability in the operating theatre

The Sustainability in the Operating Theatre guide was published in May 2022 following advice and consultation with the College's Sustainability in Surgery group. It is a unique offering in the context of medical royal colleges, as it provides detailed recommendations for all members of the surgical team based on latest published research, covering:

- solid waste reduction
- green purchasing
- water conservation
- care pathways
- cultural change and surgical leadership.

It aims to support improvements in surgical care through small, sustainable practices that maintain patient care and support environmental health.

Invited review and accreditation

We undertook important work to assure and improve the quality and safety of patient care, completing 23 individual, service and clinical record reviews. Our accreditation team accredited over 200 continuing professional development events, 25 courses (22 UK and 3 global), 26 UK surgical education centres, and a further 31 surgical education centres globally. We also continued to approve and monitor over 100 RCS England Senior Clinical Fellowships.

Research fellowships and surgical trials

We continue to sustain a thriving programme of research fellowships and wider awards, thanks to the continuing support of our extremely generous and long-standing funding partners. During 2021–22 we awarded 20 one-year surgical research fellowships, 8 honorary research fellowships and our first RCS England robotics fellowship.

New funding partnerships established in 2021–22 are:

- Barrow Foundation UK and the Society of British Neurological Surgeons, who together supported two joint fellowships
- a robotics fellowship awarded with support from Health Education England, Occtopus and the Ashley Charitable Trust.

We awarded 12 pump-priming grants, 18 intercalated awards, and several other grants including travel awards, all made possible by the support of our funding partners and RCS England Research endowed funds.

We continue to support seven groundbreaking surgical trials centres. In addition, two new centres were appointed through a competitive process, in Aberdeen and Leicester, bringing the total number to nine. We have also appointed a number of new surgical specialty leads (SSLs) this year, including a second breast SSL, a bariatric SSL and two gynae-oncology posts.

The COVID Research Group successfully published the outcomes of its work to date and with the UK's restrictions lifted, the group has been renamed the RCS England Recovery Research Group. This group aims to facilitate, catalyse and promote research projects that address the impact of, and wider fallout from, COVID-19 and to identify novel and innovative strategies that enable surgical services to recover.

Clinical effectiveness

The Clinical Effectiveness Unit (CEU) works closely with the surgical specialty associations to conduct large-scale studies into the quality of surgical care. Its portfolio of work covers four national clinical audits on breast, bowel, prostate and oesophagogastric cancer, as well as national studies of vascular surgery, emergency bowel surgery, and the care received by children with cleft lip and palate. These studies publish annual 'State of the Nation' reports that are used by NHS services, healthcare regulators and policy makers to improve the quality of care for patients.

The CEU teams also produce summary reports for patients and the public, written with charities such as Breast Cancer Now, and publish articles in peer-reviewed medical journals. In February 2021, we were delighted to add the National Lung Cancer Audit to our audit portfolio and are working towards further significant expansions of this work in the next financial year.

Learning

Our learning offer is central to our strategic aims, supporting our members and meeting the current and future needs of the surgical workforce. Highlights of this year have included the following:

- We were back to full strength in 21/22, delivering training to 9,379 participants on 623 courses, working with 130 centres. Our 4,218 volunteer faculty members are the essential backbone without whom this would not be possible.
- The Bjorn Saven Centre for Surgical Education opened in our London headquarters in September 2021. During the course of the year, we delivered 114 courses to 1,740 participants. The new centre is a state of the art surgical training facility, bringing together tried and tested educational methods and essential knowledge and skills for surgeons with evidence-based technology-enhanced learning.
- Our digital learning offer continues to grow; alongside 337 people on our PGCert, we delivered 15 virtual classrooms including introducing new MRCS revision material and partnered with subject matter experts to offer expert witness training. We have developed a series of new modules on leadership skills and human factors.
- We launched our Future of Surgery e-learning modules for members and continue to integrate new technology into our developments, with upcoming projects on robotics and immersive technology.
- Our podcast 'The Theatre' continues to explore a range of challenging and thoughtful subjects including health inequalities, diversity and inclusion and leadership.
- Our Expert Advisory Network launched a proof of concept competition and we are working with three successful winners to deliver an innovation course, test augmented reality for medical students and consider the wider application of remote mentoring.

Global engagement

The College has continued to develop its global agenda with the establishment of a number of key strategic initiatives.

In September 2021, the College signed a collaboration agreement with the London School of Economics and Political Science (LSE) to establish the Global Surgery Policy Unit (GSPU). This strategic partnership aims to advance global public health, surgical, obstetric and anaesthesia care, with a particular focus on low and middle-income countries. The GSPU will be based at the LSE and will work to strengthen the evidence base for global surgery through

high-level policy research, capacity-building partnerships and advocacy initiatives. The goal is to influence decision makers and to empower communities. Miss Rachel Hargest, an academic colorectal surgeon at Cardiff University and the University Hospital of Wales, was appointed as the College's co-director of the Unit. Miss Hargest will work alongside the LSE-appointed co-director to provide strategic and operational leadership for the Unit.

Partnerships for our work in Somaliland through the Partnerships for Surgical Systems Strengthening initiative has progressed well this year. The College received a small grant from the Tropical Health Education Trust to work with key stakeholders to develop Somaliland's first national surgical, obstetric and anaesthesia plan. Working with the Somaliland Medical Association and the Ministry of Health Development (MOHD), 50 hospital champions were recruited and trained in the data collection tools and methods used to gather baseline information for the development of a situational analysis of surgical, obstetric and anaesthesia care in Somaliland. A register of public and private sector hospitals and clinics has been compiled and the longer-term aim is to develop this register as a database to support the Ministry.

The College facilitated and supported the attendance of a delegation from the MOHD led by the Minister of Health of Somaliland to the International Symposium on Surgical Obstetric and Anaesthesia Care Systems Strengthening in Africa by 2030.

The symposium was held in Dakar, Senegal on 4–6 May 2021 and included a meeting of African health ministers. This was the first time that the MOHD had participated in such a meeting and their involvement has gone some way in increasing the Ministry's understanding of the importance of prioritising surgical, obstetric and anaesthesia care. Key outputs from the symposium included the publication of a communique and the 'Dakar Declaration'.

Funded by the UK Humanitarian Innovation Hub, the Humanitarian Surgery initiative is an international collaboration established to explore the potential role and contribution of technology in building humanitarian surgical capacity, resilience and preparedness in low-resource settings. Led by the

College, seven Humanitarian Surgery Innovation fellows based in six countries have been appointed to under support the initiative on one-year fellowships:

- Mr Ahmed Almaqadma (Palestine)
- Miss Marcella Ryan-Coker (Kenya/Sierra Leone)
- Miss Isobel Marks (UK)
- Mr Gerard McKnight (UK)
- Mr Raoof Saleh (Yemen)
- Mr Mohamed Seleem (Egypt)
- Mr Tim Tientcheu (Cameroon)

The International Surgical Training Programme (ISTP) and General Medical Council (GMC) sponsorship scheme has continued to facilitate new training placements for international medical graduates in NHS trusts across the country; 51 international medical graduates were matched and placed in ISTP training posts during the year; 75% of these placements were made in trauma and orthopaedics, breast and general surgery specialties; 68% of the placements were made in three regions: East of England, Yorkshire and the Humber and London. In relation to the College's GMC sponsorship scheme, 32 overseas surgeons have been sponsored by the College to the GMC medical register during the year. Almost 29% of these doctors were in the trauma and orthopaedics and plastic surgery specialties.

Assessment

We are a leading national and international centre for surgical and dental assessment. Across our 14 different qualifications for which we run assessments, we have continually assessed the changes introduced in response to identifying how best to deliver our assessments moving forwards; central to this is the identification of changes introduced in response to COVID-19 that should remain in perpetuity or be developed further.

Central to this process of defining our modern approach to assessment delivery are the three areas of technology, accessibility and sustainability. We continue to build on the use of technology within our assessments, not only to improve candidate experience but also to enhance the quality and consistency of assessment material, through either remote assessment or test-centre delivery. Both models seek to retain the enhanced accessibility realised as a byproduct of restrictions on travel and congregation during the pandemic. Finally, we have resumed our international oral and clinical examinations activity by implementing a hybrid approach to assessing candidates based overseas without the need for large-scale travel on the part of staff and examiners. This represents a more sustainable longer-term solution to continuing the important role that our examinations play in raising standards in clinical practice overseas.

With the opening of the new examinations suite within the remodelled Barry building, we have been delighted to host examinations activity at the College once again.

The bespoke assessment centre caters for our entire portfolio of examinations and, together with the library and Erasmus Wilson rooms, has proven to be a much-valued venue with candidates and examiners alike.

Workforce and training

The Joint Committee on Surgical Training (JCST), which we host on behalf of all four surgical colleges in the UK and Ireland, enrolled 406 new specialty trainees (excludes core trainees), recommended 590 trainees for certification (including 33 in Ireland), evaluated 170 applications for Certificate of Eligibility for Specialist Registration (CESR) and reviews, and worked on 13 CESR appeals on behalf of the GMC during the 2021–22 financial year.

The JCST continued to push for surgical trainees to be included in every case to help them progress through training. The JCST did this by signposting to its document Making the Most of Every Training Opportunity – national bodies, trainers and trainees (using the #NoTrainingTodayNoSurgeonsTomorrow) but also by regularly sharing and publishing logbook and annual review of competency progression (ARCP) data on the JCST Twitter account (@JCST_Surgery): more recent logbook data show that over 1,470,000 elective cases have been lost since the pandemic started; ARCP data show that the use of outcome 10 is declining but there is a slight increase in the number of outcome 3 being awarded (leading to extensions to training, not directly linked to the pandemic). The JCST continued to work very closely with the statutory education bodies, the GMC, the Confederation of Postgraduate Schools of Surgery and trainee associations (Association of Surgeons in Training and British Orthopaedic Trainee Association) to support surgical trainees and trainers across the UK and Ireland. Some of the work and developments undertaken during this time include:

- Updated curriculum derogations to ensure that they incorporated 2021 and beyond, to allow trainees to continue to progress through their training without being penalised due to exam cancellations for example.

- Supported Health Education England (HEE) in developing a derogation for trainees and exam candidates impacted by the cancellation of Part A of MRCS in January 2021.

- Appointed a JCST research lead who will develop and support the implementation of a JCST research strategy but also support work on differential attainment to respond to the GMC's request for 'creating a fair training culture' and producing an action plan to address this change.

- We launched the new outcomes-based curriculum mandated by the GMC. We supported trainees and trainers in its use through guidance notes, presentation packages, instructional videos, online webinars, and drop-in sessions. We monitored transition and assessment data as well as stakeholder feedback as part of a formal evaluation of its implementation in the first 12 months. We shared the findings with those responsible for delivering the curriculum to help local quality assurance and to enable enhanced support to be given where needed.

- Finalised the consultation process for a new specialty of breast surgery following the development of purpose and supporting statements by the Association of Breast Surgery – consultation details have now been circulated to all the relevant stakeholders.

- Completed the transition of training interface fellowships post-certification.

- As part of its quality strategy, the JCST completed another cycle of regional specialty reports produced by the specialty advisory committees and shared with the relevant stakeholder to inform local offices and deaneries quality improvement processes; published the results of the second biennial trainer survey (available here).

We continued to actively engage with HEE, the Academy of Medical Royal Colleges, NHS England, the GMC and the surgical trainee associations to support trainees whose training was affected by the COVID-19 pandemic. We continue to use our influence to ensure that trainees are able to regain access to training opportunities, particularly where these take place within the independent sector, and to ensure that no trainee is disadvantaged as a result of their involvement in supporting the NHS and patient care during the pandemic.

The Intercollegiate Cosmetic Surgery Certification Oversight Committee, which comprises the four surgical royal colleges in the UK and Ireland and the relevant surgical specialty associations representing cosmetic surgeons, continues to run the cosmetic surgery certification scheme and has begun the development of a post-CCT cosmetic surgery curriculum to form the submission to the GMC for the approval of a GMC-regulated credential in cosmetic surgery. Work continues to raise the profile of the certification scheme and the need to improve standards of cosmetic surgery in the UK.

Working with our colleagues in the Royal College of Surgeons of Edinburgh we have set up a bi-collegiate project to develop and support the extended surgical team, the first stage of which is the redevelopment of the surgical care practitioner curriculum, development of a managed voluntary register for surgical care practitioners and work towards achieving regulation via the GMC. The curriculum is complete and will be published shortly.

Work has begun on developing a College workforce strategy supported by a pan-UK census of the surgical workforce across all specialties and all grades to ascertain the size and composition of the workforce and the issues and challenges it currently faces, so the College can reflect these challenges in its planning. Particular emphasis is also being placed on understanding the challenges faced at different stages of the surgical career and focusing on issues that will aid recruitment and retention in surgery at a time of record backlogs.

Supporting dental surgery

The past year has seen the launch of the Faculty of Dental Surgery's strategy, with five strategic aims:

1. To set the highest possible standards in oral health care by driving research, collating expertise, reviewing the evidence and understanding the needs of patients.

2. To develop the confidence, skills, networks and knowledge of our members at all career stages.

3. To inform and influence policy makers by advocating for better and more equitable oral health care.

4. To continue to grow our Faculty by embracing diversity, fostering belonging, nurturing future (clinical and research) leaders and inspiring the professionals of the future.

5. To transform our Faculty, sharing the values and aligning our strengths with the Royal College of Surgeons of England.

Throughout 2021–22, most of our initiatives have sought to deliver against these strategic aims. Building on our communications work of the previous year, we have continued our campaign to tackle child tooth decay. The dean has been successful in getting national media to focus attention on the impact that unequal access to dental services has had on children's oral health, and the importance of prevention. This Faculty collaborated with Royal College of Paediatrics and Child Health and the Faculty of Public Health to co-host the Child Health Inequality Conference at RCS England in May 2022. The day included talks from Professor Sir Michael Marmot and NHS National Clinical Director Simon Kenny, together with various breakout sessions. Following the event, our Faculty policy work aims to ensure that child health inequalities remain a key focus.

We continue to be a leading provider of dental education nationally and internationally, supporting dentists and other members of the dental team. To deliver against our strategic aim of embracing diversity and fostering belonging, we have reached out regionally, globally and to more of our specialty dental colleagues. We have recently set up a new

SAS Education Committee, welcoming SAS grade colleagues and inviting them to share their views and concerns. We have also reviewed and increased our engagement with our specialty advisors in the regions. We are also working with the wider College to develop new initiatives in global oral health. Our efforts in these three areas will inform the development of new educational activities and materials, including through our online interactive educational programme, e-Den, where in the past year our Faculty's excellent performance has led to an increase in our share of the e-Den development fund.

In the wake of COVID-19 lockdowns, we have taken a hybrid approach to education and events, reintroducing face to face gatherings where appropriate but at other times building on the strides made in online delivery. When deciding whether an activity should be online or face to face, we are led by the wishes and needs of our membership.

Engaging with our members

Throughout the year we have worked hard to support our members wherever they are in the UK and whatever their career stage. Alongside a wide range of in-person and online activities and resources, we have worked closely with our network of regional representatives to review almost 438 consultant job descriptions and to stay informed about the key issues impacting members and their patients. We have held almost 40 regional meetings right across the UK and also hosted our first hybrid regional representatives conference in November 2021 at our Outreach North, Midlands and Scotland hub in Manchester, attended by over 100 delegates.
The College President and Vice-Presidents have been out and about meeting surgical teams and senior managers at many trusts throughout the UK including in the North East, Northern Ireland, East Anglia, Wales, and on the South Coast.

We have continued to engage with medical students, welcoming representatives from more than 30 surgical societies to meetings of our Future Surgeons Forum, and once again have supported foundation doctors applying for core surgical training posts through our hugely popular Interview Skills Workshops. We celebrated the 10th anniversary of our annual national competition for core surgical trainees in April 2022, with competitors representing 12 schools of surgery from across the UK.

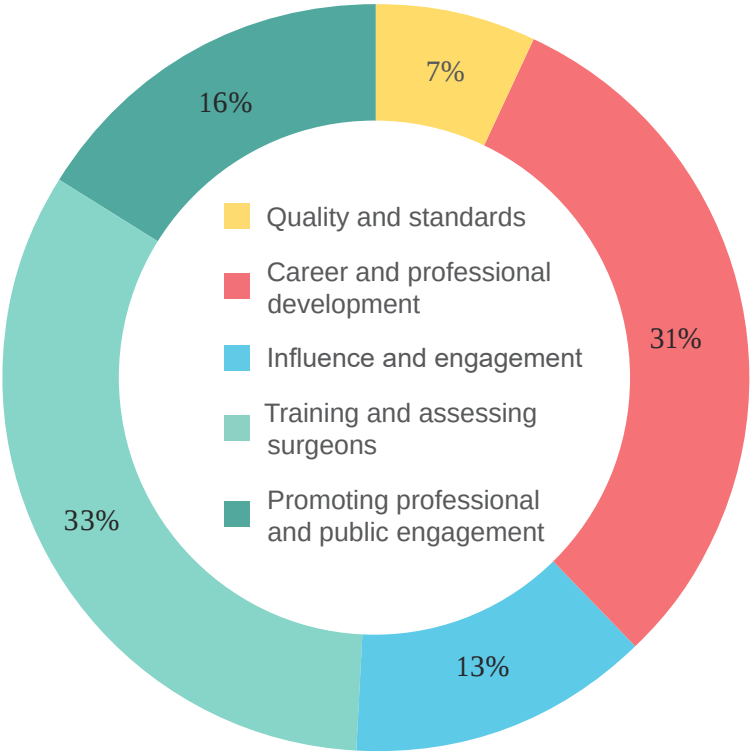
We have expanded our programme of Cutting Edge careers workshops for sixth form and college students, running five during the course of the year with a particular focus on widening participation.

We have sponsored a wide variety of surgical events and have flown the RCS England flag at a range of national conferences, where we have spoken to members from right across the surgical team, at all career stages and from a variety of specialties. All these activities have only been possible with the support of our many volunteers, representatives and faculty and we want to thank them for their unwavering commitment to training and inspiring the next generation of surgeons.

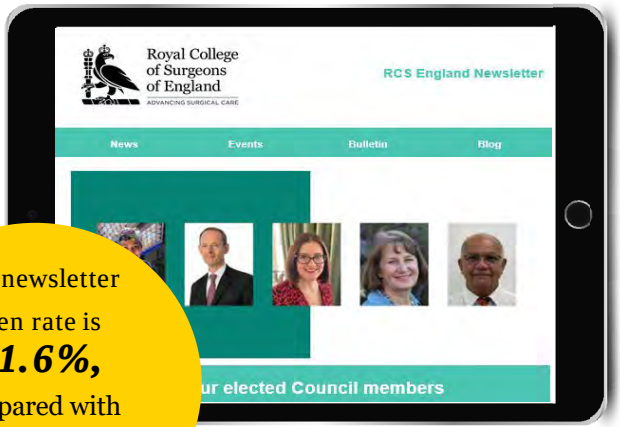
Our programme of events continues to expand. We were delighted to host the first in-person Future Surgery show with our partner CloserStill, which was attended by 2,500 delegates over 2 days. This year we have also hosted a number of in-person and hybrid conferences alongside our programme of webinars, welcoming more than 1,500 attendees, and more than 500 diplomates received their diplomas at 16 ceremonies.

Across its digital channels, the College has seen a year of continued growth. Visitors to our main website have remained stable but revenue through the site has increased by 17% to nearly £9 million. Our most popular content, as expected, relates to exams and courses. Members are continuing to engage with our newsletters and email content at well above industry rates. So far in 2022, our average rate of opening for member newsletters and updates is 51.6%, compared with the sector average of under 30%. Engagement on our social media channels has continued to rise with users actively engaging (e.g. commenting, liking or sharing) with our content over 90,000 times across the year.

Where your fees go:



The Women in Surgery (WinS) network has continued to grow following our 30-year anniversary celebrations, marked with a virtual conference on 10 September 2021 and a WinS takeover of the September 2021 issue of the *Bulletin*. Tamzin Cuming, a consultant colorectal surgeon, was appointed as the new WinS Chair at this time and has since been joined by eight new forum members across different career grades. Each is supporting the strategic aims of WinS and many of the other Kennedy projects. For the first time, WinS will have a stream at Future Surgery show this November 2022, with talks on important issues from sexual misconduct to intersectionality.



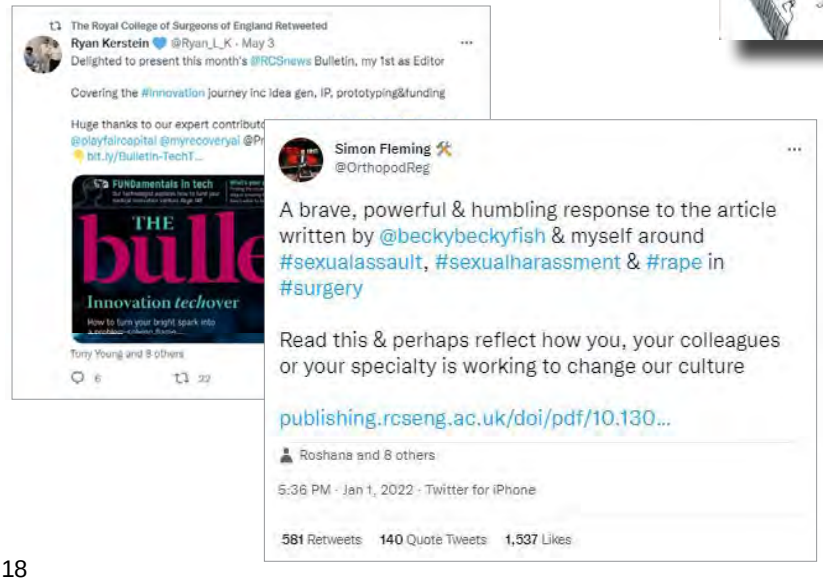
Our newsletter open rate is ***51.6%,*** compared with the market average of 30%

Our portfolio of journals continues to develop; each has improved its offering to members this year. The *Bulletin* has expanded its editorial board and improved representation; it has launched a culture-focused column and has published topical, engaging content aligning with our strategic aims and priorities. The *Annals* Impact Factor has increased once again and is now at 1.951. The journal has published a number of themed issues. The *FDJ* continues to broaden its reach, averaging more than 1,800 downloads per month (source: Looker, Atypon). We continue to publish the *Trainees' Bulletin* annually in collaboration with the Association of Surgeons in Training, with the content written by trainees, for trainees.

Work on an upgraded publishing website has begun and it is due to go live in November 2022. This will significantly improve the user experience and make viewing, citing and sharing journals content easier. Digital traffic continues to be on an upward trend – up 15% on last year (source: Google Analytics) and journals content has been well received and widely shared, with social media mentions more than doubling during the past year – 2,253 in 2020 compared with 5,131 in 2021 (source: Altmetric).

The *Annals* impact factor has risen to ***1.951*** for 2021, up from 1.891 in 2020

Social media engagements have more than doubled to ***5,131*** compared with 2,253 in 2020



Embracing diversity

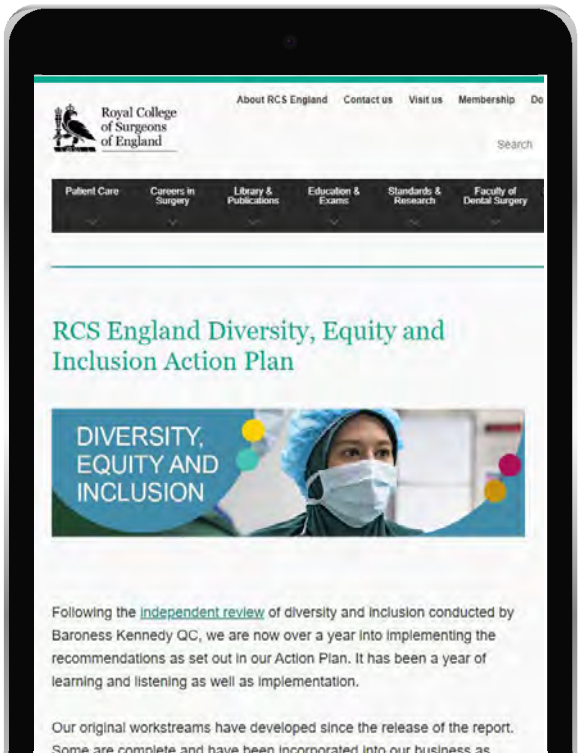
Following the publication early in 2021 of the independent review of diversity, equity and inclusion undertaken by Baroness Helena Kennedy KC, we launched our new five-year strategy in summer 2021 placing diversity, equity and inclusion at its heart and underpinned by our core values of collaboration, respect and excellence. We have spent this year developing our action plans as part of a comprehensive programme to take forward the recommendations of the review. It has been a year of learning, listening and growing as an organisation. This year has seen project and Council leads working incredibly hard and in the spirit of collaboration to make the College a more welcoming place for all. Through the development of the explore phase, we have worked together to lay foundations for the programme, and this has led to the creation of some fantastic pieces of work.

In the autumn of 2021, we published our first Action Plan, setting out 16 streams of work. Our projects are covering areas such as grassroots in surgery, emerging leaders, parents in surgery, engaging with medical schools, and mentorship, as well as Council reform, networks such as LGBTQ+, and a new workstream on race, ethnicity and belief. We have committed to delivering on the report's recommendations but also to go beyond them. We have also delivered respect and inclusion training to all staff and Council members. This emphasised the importance of our values of collaboration, respect and excellence between staff and Council members on undertaking this journey together.

A major moment has been the publication of our flagship project parents in surgery report in the autumn of 2022. The work is still ongoing as our team have commissioned the Nuffield Trust to conduct an independent review aimed at furthering the available evidence in this area and is due to be published in December 2022. In turn, this will help to support this key issue in surgery going forwards.

A new Specialty and Associate Specialist (SAS) strategy is under development which aims to ensure SAS surgeons are respected and acknowledged for the contributions they make to the surgical team, the College and the profession, and their opportunities for doing so are enhanced. An audit of all College activities has been undertaken and an action plan drawn up to ensure that SAS surgeons are welcomed and included in all College activities and services. Research into the experiences of SAS surgeons in the workplace is underway.

Other notable highlights include our engagement work with three non-London medical schools, Leeds, Leicester and Anglia Ruskin, which all have strong widening-participation networks. Over the course of the academic year, we will be holding events and workshops on campus so that all medical students, no matter their background or their career aspirations, can learn more about the College and surgery. Students will have the opportunity to volunteer and develop clinical, teaching and leadership skills. A flagship Future Surgeons' Conference will take place in London in 2023, and feedback is being sought from students



Our Grassroots in Surgery scheme awarded almost **£50,000** over seven organisations

We published our **16-point** Action Plan in August 2021

across the programme to ensure that the pilot can be evaluated for future development.

Our Grassroots in Surgery Scheme was launched in May 2022 and was open for applications until the end of June. This scheme provides funding and other support for grassroots organisations and collective efforts seeking to address diversity, equity and inclusion within surgery. We were delighted to receive 28 applications and awarded almost £50,000 of funding across seven organisations. All unsuccessful applicants have been provided with bespoke, personalised feedback and invited to share their views and feedback with the College. We want this project to be a visible sign of the College's commitment to being the professional home of all surgeons and aspiring surgeons, whether or not they received funding from the scheme.

We have undertaken an extensive exploration and consultation exercise in the area of mentorship, reflecting the complexity of the issue and its place in surgery. We will be launching an online mentoring toolkit, which will provide resources and tools to support those interested in becoming a mentor or mentee or developing their skills. Several other projects in our Diversity, Equity and Inclusion Action Plan are also working on mentoring interventions as part of the overall College's commitment to this important surgical skill.

An exciting new area of work is a focus on networks and community development. We have developed our LGBTQ+ strategy and hosted the inaugural 'Out at the College' conference in spring 2022, which was attended by 83 delegates. The success of this event is demonstrated in the fact that we have now committed to making this an annual event. This will ensure the College is able to give voice to and highlight LGBTQ+ issues in surgery. We have also now developed a new workstream on race, ethnicity and belief.

Diversity, equity and inclusion sits at the heart of everything the College does. This vision is reflected in our organisational strategy, as we have committed to ensuring that embracing diversity, equity and inclusion becomes part of our business as usual and is one of our key strategic aims. While we are still very much at the beginning of this journey, it is important to note the crossovers, interdependencies and areas for sharing learning that have been identified between the projects. This gives us a solid framework for how we move ahead into the next year and beyond.

As we move into the future, our appetite for positive and sustainable change will continue to drive us forward along with the ripple effect and breadth of growing conversations this work has generated among the surgical community.

Transforming our College

COVID-19 will go down in history as one of the most impactful diseases of our time. While there have been many negative outcomes for our members, potential members, staff, and the wider society, the pandemic has also instigated opportunity and transformation with a significant change across the College in how it delivers digitally. Like other organisations, the College was thrown into reactionary business continuity planning. Digital quickly became the main delivery route to maintain services, from supporting remote working for staff to supporting its membership and the wider surgical community.

How well did we make the digital transition and what achievements should we reflect on, celebrate and scale for College-wide success? Equally, what are the common issues across the College in terms of barriers to change?

We commissioned an audit and research report in October 2021, exploring these questions and identifying a roadmap to help digital 'business' transformation, increasing staff sentiment and meeting customer expectations via a College-wide digital vision. The opportunities to advance and deliver improved member experiences are endless and that is why this is the next major transformational piece for

While there have been many negative outcomes for our members, potential members, staff and the wider society, the pandemic has also instigated opportunity and transformation with a significant change across the College

the College. We have worked throughout the year to assess the priorities and determine how best to apply our resources in support of this vital agenda. This is an exciting piece of work that will enable our staff to develop and our members to experience a better valued interaction with the College.

Promoting public and professional engagement

Library and Archives

During the course of the year we successfully completed all of our scheduled library and archives collections moves, with the collections having been transferred back to the College building from three different off-site stores. In total, just over 54,500 library items and 2,330 archives boxes were moved. This means that we now have approximately 40% of our library collections and 85% of our archive collections stored at Lincoln's Inn Fields, with the remainder of the collections being retained in off-site storage. These collections can be made accessible to researchers on site via van delivery services.

Additionally, we completed an unscheduled collections move to temporary off-site storage in October 2021 for the approximately 60% of the Library's collections that are being permanently stored off-site at the British Library's facility in North Yorkshire. This move arose as a result of building work that has recently commenced at the British Library. During the summer and autumn of 2021, we also completed our planned departmental restructuring, which was undertaken to ensure that we had sufficient staff numbers and an appropriate distribution of library and archives posts in place by the time services reopened on site. This process was completed with all staff in post by the end of 2021.

In November 2021, the new Members' Library and Research Room officially opened. Since opening, we have promoted the new facility via various print and online media. As a result, a steadily increasing number of members and external researchers have visited the Members' Library and Research Room to consult the library and archives collections or make use of the study spaces. In addition to physical visits, we have also received and resolved 401 remote library enquiries and 237 remote archives enquiries.

All of our electronic resources (databases, e-journals, e-books, and anatomy applications) continue to be well used by members and fellows with similar numbers of total logins and searches having been recorded this year compared to the previous two years. We undertook a review of our e-resource subscriptions during the year, which highlighted some gaps in our collection coverage. Following this process, we were able to subscribe to a number of new e-resources, thereby enabling us to fill most of the gaps. These included four new e-journals: Journal of Urology, Neurosurgery, Dental Update, and Current Orthopaedics and Related Research, and three new databases: Ortho Evidence (an orthopaedics database), HMIC (a health management and policy database), and Trip Pro (a clinical research evidence database). We also purchased several e-journal back files and e-book collections covering various surgical specialties.

Another key development during the year has been the rebranding and relaunch of the Current Awareness Team as the Evidence Support Team. This change took place to better reflect the type and scope of work being undertaken by the team now, as well as new activities that are being planned for delivery in the near future. The Evidence Support Team has issued 46 specialty updates to members since September 2021, which is the date the updates service resumed following a temporary hiatus earlier in 2021 due to staff changes. Additionally, 86 literature searches were conducted for members and staff during the year. The Evidence Support Team has also supported two Kennedy Review projects during the year by compiling detailed evidence briefing reports and has continued work on an external two-year income generating referral guidelines project.

Work has continued on the development of the *Plarr's Lives of the Fellows* online resource, with a total of 10,125 obituaries now available online and nearly 500 images of deceased surgeons having also been added to entries.

We also commenced a new oral history pilot project during the year, with the aim of recording the lives of selected members and fellows of the College. So far, six oral history interviews have been recorded and these will be made available on the Library's webpages soon. We hope to be able to expand this pilot into a full project next year.

Since January, we have been working closely with the fundraising team to prepare an external funding application for a large-scale, multi-year library and archives digitisation and public engagement project. This work commenced with the creation of a departmental digitisation strategy and was followed by undertaking detailed research and preparatory work needed for the submission of our funding bid November 2022.

Throughout the year, staff from across Library and Archives have also been involved in a variety of activities aimed at promoting the collections and the services that we offer. These have included the publication of digital exhibitions, blogs, social media posts, journal and magazine articles, and attendances at external conferences and events.

Museum collections and services

The Museum recommenced services for research and image provision and licencing following the move of the collections into the new building and to various off-site storage facilities. Some 70% of high-value paintings and objects stored with fine art specialists Constantine are due to be returned to Lincolns Inn Fields for installation in the new Hunterian Museum in the autumn of 2022. Arts Council England renewed RCS England's Museums Provisional Accreditation in July 2022. The Human Tissue Authority passed RCS England facilities and procedures for caring for human remains in July 2022.

Hunterian Museum

Work continued on the design of the new Hunterian Museum, which is due to open in February 2023. The main focus of the curatorial team during the year has been research, text writing and images and audiovisual content collation.

Anatomy and Pathology Museum

Specimen conservation, display fit-out and collections selection work, the latter with the help of subject experts, was undertaken from July 2021. The new Anatomy and Pathology Museum opened in September 2022, with extended self-learning revision sessions with senior surgeons available to MRCS B candidates. Virtual learning resources were developed with subject specialist experts and are available on site on iPads and will be made available to members remotely through secure online connections during 2023.

Fundraising

We receive significant charitable funds every year from our donors and supporters. These funds support a comprehensive range of projects and activities undertaken in pursuit of our charitable objectives. This year we raised more than £3.4 million for surgical research, learning and a number of new and continuing noteworthy initiatives.

We are grateful for major gifts in support of the Bjorn Saven Centre, and the Robotic and Digital Surgery Initiative (RADAR), as well as several gifts in kind from med-tech manufacturers in preparation for the opening of the Hunterian Museum in February 2023.

Inside our new London home for surgery, we are designing and constructing an immersive training suite using techniques and technologies that are at the forefront of simulation training for healthcare, creating a space that is one of the first of its kind in the UK. By replicating clinical scenarios and using high-fidelity simulation, learners can encounter and practice complex medical cases in a risk-free setting. All within an immersive suite that can replicate any environment with 360-degree video and control of audio, lighting, smell and temperature. Several gifts in kind from businesses are supporting the immersive suite.

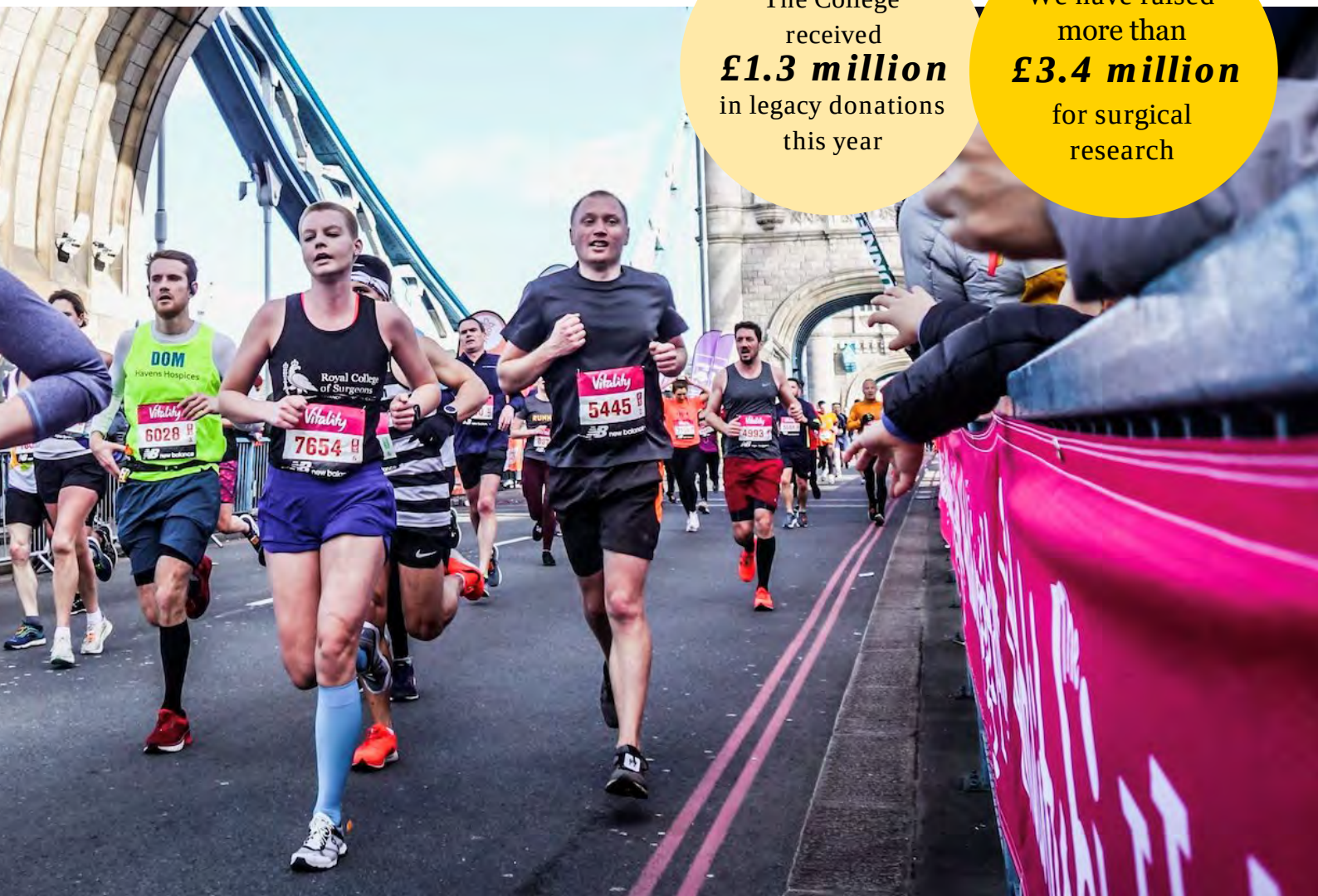
The Fulbright/RCS England scholarships have significantly enhanced research training and established ongoing international collaboration. There is much kudos associated with Fulbright scholarships and, aside from the academic benefits, recipients meet a plethora of science and arts scholars who typically become leaders in their field. The College is unique among the medical royal colleges in our commitment to regularly sending and supporting trainees on this esteemed programme.

We are very grateful to members of Council who have championed these appeals, as well as those who have given generous personal donations, and all will be appropriately recognised within the building.

We extend our gratitude to all our donors and supporters and to those who have remembered us in their wills with gifts totalling £1.3m this year.

The College received ***£1.3 million*** in legacy donations this year

We have raised more than ***£3.4 million*** for surgical research



Our new home of surgery

Our new home has now been open for more than a year and this stunning space has been enjoyed by increasing numbers of visitors, by our staff and members and by staff of the specialist surgical associations. We have also welcomed to our new building this year the staff and visitors of Armstrong Teasdale LLP, our new tenants who now occupy part of the second floor under a lease agreement that runs until January 2031.

We have been delighted to welcome back all those attending our educational and assessment events that we are now able to run from our new, purpose-built and state of the art training facilities.

Our new iconic sixth-floor conference and events venue, 'the View' was launched early in September by our catering and events partner, Searcy, and we have been delighted at the level of business this venue and our other hospitality spaces have attracted in this first year of trading. All these events will make an important contribution both directly and indirectly to raising the public profile of the building and the College. We have invested to ensure we can deliver an excellent visitor experience for those coming to enjoy our spaces and we will monitor our progress in developing the visitor experience.

We held a number of celebration events to mark the generous donations we have received for the Lumley Library and for the Bjorn Saven Centre. More events are planned to mark significant donations.

There remains one final but hugely important phase of the capital development project to be delivered. This is the base build and fit-out works of the iconic Hunterian Museum. Work commenced in May 2021 on this phase and will be completed by November 2022. We are looking forward to opening the Hunterian Museum to the public early in 2023.

Looking ahead

This year, following a six-year closure, the Hunterian Museum re-opens to the public. Ten beautifully designed galleries trace the story of surgery from wound treatment in Ancient Egypt to the latest robotic assisted surgery. State-of-the-art audio-visuals invite visitors to share, the Museum founder, John Hunter's insatiable curiosity 'asking questions about what no one knew or cared'.

Through anatomical preparations, paintings, drawings and models, archive material, surgical instruments, equipment and new technologies the Hunterian will explore the extraordinary developments in surgery, art and anatomy and the experience of surgeons and patients through time.

We will continue to invest in digital transformation and work towards becoming a digital first organisation by putting all our members at the heart of our digital strategy including creating a new College website, improved digital systems through a new customer management system (CRM), allowing quick and easy access to all College information and knowledge services.

As we enter the second year of our *Changing the face of surgery* strategy, we will continue to focus on implementing the recommendations set out in the independent review on diversity and inclusion as well as the addition of the LGBTQ+ and the Race, Ethnicity and Belief workstreams (projects).

In 2023 we will welcome a new Dean of the Faculty of Dental Surgery: Dr Charlotte Eckhardt, a Consultant Orthodontist at Swansea Bay University Health Board. Alongside Charlotte, the Officers team will be joined with new some new faces as we hold elections for a new president and Vice president early in the new year.

Financial Review

This year has been one of transition, emerging from the pandemic and preparing the foundations for the next few years. While here in the UK we have succeeded in shaking off the shackles of the pandemic over this past year, many other countries have emerged more slowly from restrictions put in place over the last two years. This divergence goes some way towards explaining the contrasting fortunes of our principal UK and overseas revenue activities this year. The pandemic years brought a significant level of disruption to both our courses and exams revenue streams, and while we have seen stability broadly return to our UK-based activity, some of our overseas activity has once more been curtailed by continuing travel restrictions. This has also been a year of change and adaptation following the departure of the Faculty of General Dental Practice at the end of July 2021. This has given us the opportunity to start to re-shape our business model and to set a progressive new strategy for the next five years. We have seen our revenues begin their recovery, albeit at times somewhat unsteadily, but we have also taken decisions to delay or halt activity so that we can invest in re-building delivery models fit for a post-pandemic future.

Against a backdrop of rising inflation and growing economic uncertainty, which has dented investor confidence, our financial performance has reflected both this time of re-positioning for the College and this time of increasing economic challenges. We have posted a net expenditure position this year of £7.6m (2021: £2.65m), including a net loss on our fixed asset investments of £1.24m (2021: £8.22m gain) resulting in total funds managed moving down to £137.5m (2021: £145m).

This is the first year where we carry a full year of depreciation charges associated with our redeveloped freehold property. If we discount these, the FRS102 pension liability and employee benefits adjustments, the cost of debt, and the exceptional one-off charges incurred in respect of the settlement agreement with the Faculty of General Dental Practice and resulting discontinued operations, we can see that, despite the recent stresses on our underlying activities, our underlying deficit has been constrained to only £374k. This does represent, however, a deterioration of £1.76m on our 2021 operating position. This is set out in the table below.

Underlying position	2022 £000	2021 £000	Change £000
Net income/(expenditure) before investment gains/(losses)	**(6,362)**	**(2,645)**	**(3,717)**
FGDP discontinued operations	808	–	808
Operating lease, freehold and leasehold depreciation	2,357	3,018	(661)
Loss on disposal of fixed assets	–	30	(30)
FRS102 pension liability change	1,603	178	1,425
FRS 102 Employee short-term benefits accrual change	332	334	(2)
Debt interest	888	469	419
Underlying net income/(expenditure)	**(374)**	**1,384**	**(1,758)**

£1.3m of this deterioration flows from our unrestricted activity, where, despite income improving on the prior year, our expenditure has risen at a much faster rate, lowering the surplus down to £1.3m (2021: £2.6m). Restricted and endowed activity levels can vary quite significantly from year to year. While restricted and endowed income levels have remained broadly unchanged from 2021, we have seen a rise in expenditure here too, raising the deterioration by a further £428k. These results and changes from 2021 are summarised in the table below.

Underlying position	**2022 £000**	**2021 £000**	**Change £000**
Underlying income	28,084	26,920	1,164
Underlying expenditure	28,458	25,536	2,922
Underlying net income/(expenditure)	**(374)**	**1,384**	**(1,758)**
Net contribution/(loss) as percentage of income:	(1%)	5%	
Unrestricted funds	1,307	2,637	(1,330)
Restricted and endowed funds	(1,681)	(1,253)	(428)
Underlying net income/(expenditure) by source of funds	**(374)**	**1,384**	**(1,758)**

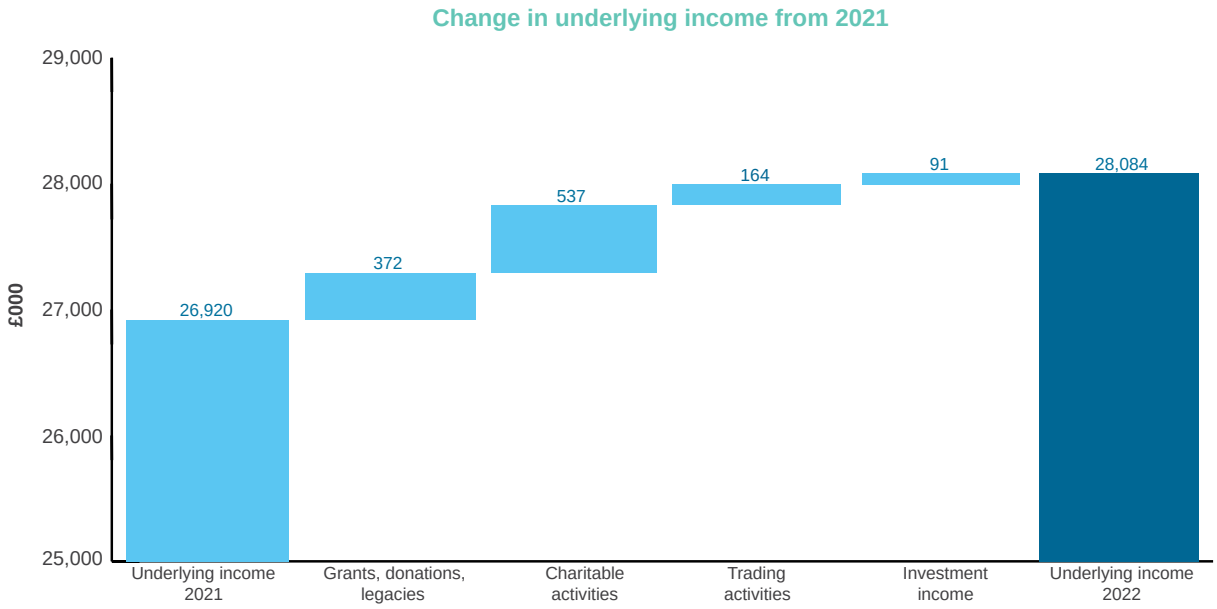
Unrestricted funds have benefitted from a revaluation net gain of £585k on investment property this year, but together with £1.43m of net unrealised losses on the investment portfolio, these funds have now fallen by 5% to £93.6m (2021: £98.6m). Endowed funds have also fallen by 5% to £39.2m. Funds applied this year were 8% below 2021 levels, but there was a one-off divestment of £500,000 in respect of the Hunterian Museum capital works and a net unrealised loss on the endowed investment portfolio amounting to £399k. Restricted funds have decreased by just over £0.5m to £4.75m, reflecting a fall in income from prior year levels and a rise in expenditure.

Underlying income

Income is up 4% or £1.16m to £28.08m. This improvement reflects a set of steady rises across all our principal income groups although within these groups the picture is more mixed. Charitable activity income has risen by 3% or £537k. We have seen a significant recovery in course income, up 39% on 2021 levels as we returned to a full schedule of course delivery. Exam fee income has risen by 4%, reflecting further catch-up, but the rise has been tempered by considered decisions to delay or halt some activity to allow for further investment and development. Both course and exam fee revenues remain around 5% behind 2019 pre-pandemic levels. Our subscription income has fallen back 4% on 2021, with trainee subscriptions remaining broadly stable but overall membership fees moving 4% lower. Our membership numbers have dropped by nearly 10% to 25,098, largely a reflection of a transfer of members to the College of General Dentistry, the new home of our former Faculty of General Dental Practice (FGDP). However, our overall core surgical membership remains steady and a highly pleasing number of former FGDP members were welcomed into membership of the Faculty of Dental Surgery this year.

Investment income has settled at what is a considerably lower level than in the years prior to 2021, standing at £0.7m (2021: £0.6m). This is in part a consequence of the move from an income strategy to a total return strategy for the unrestricted investment portfolio and in part a reflection of the longer-term asset allocation strategy being pursued by our investment partners, JP Morgan, which places greater emphasis on capital appreciation.

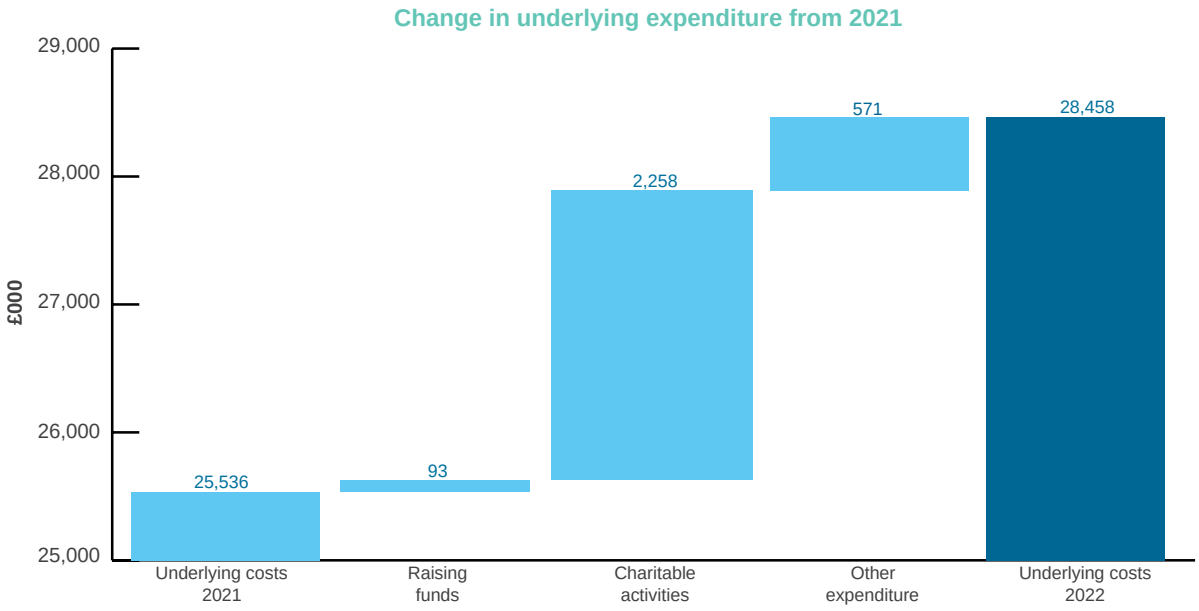
Overall, grants, donations and legacies nudged up to 19% as a share of income (2021: 18%), charitable activities represented 77% of income this year (2021: 79%), investment income is steady at 2% and trading activity contributed 1%.



Underlying expenditure

Underlying expenditure has risen 11% or £2.9m to £28.46m with unrestricted expenditure 13% up or £2.5m on 2021 to £21.7m. This includes a 9% rise in charitable activity expenditure reflecting the substantial restart of all our professional activities, the cost of change in our delivery methods, but also just the gradually increasing cost of doing business. This increase is in spite of the loss of £2.7m of expenditure compared with last year in relation to the departure of the Faculty of General Dental Practice. Underlying expenditure stands now 17% up on 2019 pre-pandemic levels. Our course and exam activity across both the surgical and dental portfolios have reported significant increases on 2021. The Faculty of Dental Surgery also assumed responsibility for running a number of legacy courses previously part of the course portfolio of the Faculty of General Dental Practice, helping to raise its costs higher. We have reported higher costs across all other areas including professional and public engagement where we have continued to invest in our preparations for the opening of the new Hunterian Museum in 2023.

Much of our programme of professional activity as outlined in the Trustees Report is supported by our restricted and endowed funds. Total expenditure against these funds rose by 7% to £6.7m (2021: £6.3m). Our programme of research and clinical effectiveness projects has delivered just under £5m of activity this year (2020: £4.9m), with 80 research awards being made this year. This is down from 94 in 2021, with fewer one-year fellowships awarded this year compared with last year.



Net assets

Net assets have decreased by 5% or £7.6m to £137.5m. Fixed assets decreased by £2.5m with property assets increasing by £1.2m but investments losing value by £3.77m. Capital additions of £3.5m primarily reflect the ongoing works in respect of the new Hunterian Museum, but the cost of the new building has now begun to be depreciated, helping to minimise the overall net increase. The capital works costs are financed from the long-term loan of £40m received in 2020. The net unrealised loss arising on our externally managed investment portfolio is only marginally recovered by a net gain arising on our investment property. Cash holdings have increased by £2.6m, debtors are down almost 10% but current liabilities have remained broadly unchanged at just under £17.4m, and the current ratio has reduced to 1.0 from 1.2 in 2021.

Hunter Trading Limited

Our financial statements consolidate the results and financial position of our wholly owned subsidiary, Hunter Trading Limited (note 15). The company has delivered a profit of £87k for this year (2021: £2k). This year has seen the restart of conference trading activity following the opening of our redeveloped freehold property in May 2021. Our catering and events partner, Searcys, launched 'The View', our new conference and events venue in September 2021 and we have seen a very positive increase in interest and bookings since then. We have made a much stronger start than expected and although commission is not receivable until the second year of trading, we have agreed to a 50:50 share of the profit earned for this first year, helping to boost the company's results.

Financial outlook

We have now completed our first full year of occupancy in our prestigious redevelopment overlooking Lincoln's Inn Fields. We have finally been able to move forward away from the restrictions and constraints placed upon us by the global pandemic and towards building back our activities and services for our members in a more inclusive and interactive way.

We are looking forward to this next year as a year of both consolidation and progression. We are looking to deliver a full programme of exams for the first time post-pandemic, making full use of our custom-designed examinations suite, and to continue with our delivery of an extensive portfolio of courses and training from our dedicated state of the art professional surgical centre, now named the Bjorn Saven Centre, in acknowledgement of the generous financial support given to the College by Bjorn Saven, the Swedish industrialist. We will be focused on delivering continuous improvement as we learn to adapt and refine our approach and services and ensure that we are providing an excellent and welcoming experience for all our visitors to this new iconic space, whether members, staff or the general public. While we are rightly proud of our new building, we place equal importance in extending and developing our regional engagement and activities to ensure all our services are accessible to members and prospective members throughout the country. These strategies play a vital part in our plans to return the College to a more financially sustainable position.

With the main redevelopment now completed, secured by the £40m private placement issue with Pension Insurance Corporation Ltd in early November 2020, there remains one final but pivotal part of the development to complete, namely, the new Hunterian Museum, which will be opened to the public in Spring 2023. The loan finance has again provided the additional cash to ensure we can complete these works as planned.

During the coming year, it will be important that we continue our agenda to expand and develop our revenue streams following the loss of activities arising from the departure of the Faculty of General Dental Practice in

July 2021 and the impact this has inevitably had on our underlying operating surplus in the short term. We will continue to invest in and promote the dental exams offer, including the new Membership of the Faculty of Dental Surgery (MFDS) exam, which replaced the joint dental faculty exam (MJDF). We expect to see further revenues flow this year from new sponsorship schemes and our new commercial ventures, with demand for our conference and events spaces coming through much stronger than we had anticipated and the opening of the Hunterian Museum offering the opportunity to attract the general public into our building and custom for our new café and retail shop operations.

The current difficult economic environment, however, presents new challenges for the College, with rising inflation, soaring energy prices and secondary pressures such as wage inflation increasing our overall costs of operation, squeezing our margins and making it ever more taxing to deliver the operating surpluses that provide the headroom for investment in our professional and business priorities and the finance to meet our debt repayment obligations that will fall due in four years' time. It is paramount, therefore, that we drive forward our transformation plan to deliver a new business model that can secure financial profitability in the medium term.

While the immediate threat of higher unsustainable pension contribution increases has abated, the financial position of the USS pension scheme and the ongoing level of support it seeks from employers continues to be a cause for concern. The liability we disclose in respect of this scheme has increased significantly this year as a result of the 2020 valuation, which extended the liability period for a further ten years to 30 April 2038. We remain alert to the possibility under the scheme's Monitoring and Actions Framework that short-term corrective actions, such as higher contributions or accelerated valuations, could be taken in the event that the scheme's funded status is impacted adversely by market volatility. We will continue to support employer representatives in their efforts to keep the cost of pension benefits at an affordable level.

Reserves policy

Our reserves comprise unrestricted funds, restricted and endowed funds. The restricted and endowed funds result from grants, donations and legacies that can only be applied for a purpose specified by the donor or grantor and are not available for general purposes. We aim to carry out the activities and projects supported by these funds on a timely basis in accordance with the purposes and conditions specified. Restricted and endowed funds total £43.9m at 30 June 2022 (Notes 17 and 18).

The unrestricted funds represent the accumulated surpluses generated from general business activities and are funds that are available for use at the discretion of the trustees. They comprise fixed asset funds, designated funds and general funds.

Fixed assets fund

The fixed assets fund comprises the funds invested in fixed assets that the trustees consider essential in enabling the College to implement its operational strategy effectively. The fund represents the net book value of unrestricted tangible and intangible fixed assets and net of associated long-term loan funding. We held £70.1m in the fixed assets fund at 30 June 2022 (2021: £68.8m). The fund includes £4.67m of assets in the course of construction in respect of the ongoing works to build and fit out our new Hunterian Museum. The fund also includes the £4.2m of historical cost in respect of the leased second floor which is accounted for as an investment property.

Designated funds

Designated funds are funds that the trustees have earmarked for specific purposes. Between 2014 and 2020, we had designated a total of £72.8m of general funds to be held for specific purposes with £70.7m of funds set aside for the re-development of our London premises and £2m of funds earmarked to support the digital and IT transformation agenda. These funds had been fully expended as at 30 June 2021. We designated a further £1.5m in 2021 to support the next phase of digital transformation and new systems investment. £392k has been expended on digital transformation in the year to 30th June 2022.

General funds

In accordance with Charity Commission guidance, the trustees set a target range for the level of free reserves, or, general funds, that the College should maintain to ensure its financial security and funding of its business plan. Free reserves or general funds are defined as total unrestricted funds less fixed assets and designated funds. The trustees determine that a prudent target range for the College's free reserves is between 75% and 100% (i.e. between nine months and twelve months) of gross annual unrestricted operational expenditure. This equates to a target range of £20.8m to £27.7m for 2021–22.

This range is set taking into account the following:

- the risk of fluctuating income and expenditure levels
- the risk of an unexpected need for funds
- the need to provide working capital for the College's current operational and future development activities
- the need to meet its annual obligations under the long-term loan arrangement in place since 2020
- funding shortfalls in the USS and SAUL defined benefit pension schemes and future increases in employer contributions to eliminate these shortfalls.

General funds stand at £21.4m at 30 June 2022. This represents a fall of almost £4.9m or 18% on the prior year (2021: £26.3m). This represents 79% (2021: 113%) of unrestricted operating expenditure and stands just above the minimum of the target range. An allocation is made from general funds to provide for the pension liability which represents the discounted value of the deficit funding contributions. This does not imply a significant constraint over the use of reserves for the foreseeable future other than to ensure monthly contributions are met and budgeted for accordingly. Net expenditure including net unrealised losses on market investments amounted to just over £6.1m this year. However, allocations from the general fund to the fixed asset fund and the pension reserve combine to recover the general funds position by a net £759k. The funds position is also improved by the transfer of £500,000 from endowed funds representing the contribution from the Macrae Webb-Johnson Fund towards the cost of Hunterian Museum works.

We are entering a period of considerable global economic challenge that is creating financial stresses in our forward operating position in the short term. Our agenda of transformation will continue to be our primary focus as we build back our core activities post-pandemic and as we put in place strategies to deliver once more sustainable operating surpluses over the medium term. The College remains steadfast in the pursuit of its longer-term objectives of financial sustainability, so that it meets not only its future annual debt obligations but also ensures that it maintains an appropriate level of free reserves to enable the College to withstand future unexpected events as well as deliver on its priorities.

Fundraising

The College aims to raise funds in accordance with best practice and in an open, legal and fair manner, and has effective systems in place to monitor and maintain these standards and ensure communications with supporters are undertaken in a considered and balanced manner.

We are registered with the Fundraising Regulator and undertake our fundraising activities with reference to the Code of Fundraising Practice. We review each year our data protection processes to ensure full compliance with the General Data Processing Regulation (2018). We do not engage commercial partners or volunteers to raise funds on our behalf. If complaints and concerns are raised, these are taken seriously and responded to promptly and handled in accordance with the College's complaints procedures which are available on the website. We did not receive any complaints in respect of our fundraising activity in 2021–22 (2021: nil).

Investment policy

We invest for the long term, and we invest to generate the best overall returns from our unrestricted and endowed funds to support both ongoing operational activity and activity undertaken in line with the specific purposes of the endowed funds. We seek to achieve this through diversified risk-controlled investment. We have adopted a total return strategy for all our invested funds and a more global and broader asset allocation strategy to ensure that we continue to achieve the best returns going forward in what is a changing investment landscape.

Both portfolios are expected to deliver a minimum long term total return of CPI plus 4% and to provide sufficient cash to support relevant annual expenditure commitments. We are now in the third year of our investment partnership with JP Morgan, and they have continued to take action during the year to pivot the portfolios increasingly towards our long-term asset investment strategy, reflecting greater geographical and asset class diversification.

Our statement on ethical investing was issued in 2021. This sets out our clear commitment to sustainable and responsible investing and strengthens our commitment to divesting from fossil fuels. We seek to divest from all exposure in fossil fuels by 2030 and will build up our investments in green energy renewables and infrastructure in support of the green economy. This statement has been fully endorsed by our Council members.

We have adopted an environmental, social and governance (ESG)-integrated investment model to deliver on our ethical investment commitments. Our investment approach excludes direct investment in fossil fuels, tobacco, alcohol, controversial and conventional weapons, and we aim to minimise our levels of indirect exposure to these sectors through regular ethical screening and careful selection of fund managers with strong ESG credentials. We consider that our ESG-focused investment approach will enable us to meet our long-term return profile and therefore provide the funds to support our professional and operational objectives.

Short-term cash not required to support general operations is placed on short-term fixed term deposits with approved investment managers.

Investment portfolio performance

The Finance and Investment Committee oversees all matters pertaining to financial planning and performance, including investment management, and advises and reports on a regular basis to the Board of Trustees on the performance of the investment portfolios and the appointed fund managers.

Both portfolios are now managed on a total return basis and are structured to enable the College to continue to receive an annual cash distribution of up to £2m to support its ongoing operations and restricted activities. The move away from an income focus has inevitably led to a lower level of investment income being recognised each year and greater focus placed on overall investment performance. Portfolio investment income was up £67k to £0.52m this year (2021: £0.45m) but the investment portfolio delivered an overall unrealised investment loss of £1.83m compared with a gain of £7.27m in 2021. A cash distribution of £2.62m was made at the end of the year, comprising £1.23m against the restricted and endowed portfolio to replenish operating cash balances for endowed fund expenditure, £500,000 from the Macrae Webb-Johnson fund as its contribution to the capital works, and £888k against the unrestricted portfolio to finance the annual debt interest. The final return net of fees was –6.4% for the year (2021: 7.8%). The net return before divestment was a negative –2.6%, although this demonstrates in reality a reasonably well-managed performance with protections built into the portfolio to counter what was a very difficult second half of the year in the global stock markets when the only performing asset classes were oil and commodities.

Total return accounting

The College adopted total return accounting for its permanently endowed funds in 2014–15. A base date of 24 June 1992 was approved for determining the permanent capital value of the endowed funds, based upon the market value of the permanent endowments at that date and the original value of any subsequent additions. The value of these investments was frozen and classified as frozen permanent capital and the remaining value of the investments was classified as unapplied total return.

We seek to preserve the value of the endowments in real terms over the medium to long term. A target spending rate of between 3.5% and 4.5% of the value of the endowments is considered achievable without diminishing the value of the portfolio in real terms and represents our best estimate of the long-term real rate of return on the endowments. This target range is kept under review to ensure that it remains appropriate.

A total of £1.68m was applied in the year and, together with investment management fees of £260k, the total applied from the endowed funds was £1.94m. This represents an application of 4.4% in the year which is just 0.1% below the top of the target rate range. The cumulative total applied since the adoption of total return accounting is just below the cumulative maximum target level for this same period and we will continue to need a strong investment performance over the long term if spending plans are to continue at current rates.

Key management personnel

Key management personnel are defined as members of the Executive Team and Directors as set out on page 46 of the Trustees Report.

The People and Culture Committee oversees matters relating to structure, composition and effectiveness of the Board and provides assurance to the Board that the College has an effective strategy to deliver an effective and high performing workforce. The Committee oversees issues relating to the remuneration of staff with specific responsibility for making recommendations to the Board regarding overall remuneration policy, including approving salaries and conditions of service at director level and above. The Committee receives recommendations from the Head of Human Resources based on a detailed market review benchmarked to similar organisations carried out biannually, as well as through the annual performance appraisal process. Based on this advice, the Committee makes recommendations to the Board on the remuneration and benefits of the Chief Executive and other senior post-holders.

Details of remuneration for the year ended 30 June 2022 are set out in note 8 of the financial statements.

Risk management

The Board of Trustees views robust risk management and control as fundamental to support the College in defining and achieving its strategic objectives. The College operates a 'three lines of defence' model, has a separate risk and compliance function and an independent internal audit. All risks have a clear owner and are measured, mitigated and monitored. The Board of Trustees is ultimately responsible for the management and control of the College's risks and sets the College's risk appetite. The Board has overall responsibility for ensuring that we have appropriate and adequate risk management processes in place to support the delivery of our strategic plans. Trustees regularly review and assess risks across all areas of the College's activities.

The Audit and Risk Committee is responsible for advising the Board on statutory financial reporting and for overseeing and reviewing the systems of financial governance and risk management. These systems are designed to manage rather than eliminate risk and to provide reasonable assurance that mitigating actions are adequate. Trustees have delegated elements of the risk management process to Audit and Risk Committee, staff members and professional advisers but set the risk appetite statement. The Audit and Risk Committee is responsible for the appointment of the internal auditor and external auditor.

During this year the Audit and Risk Committee has overseen further refinement and improvement of the College's approach to risk management and the Board of Trustees has put in place a robust framework consisting of our new risk management policy, our risk appetite statement and departmental, project and corporate risk registers.

Council is responsible for all substantive matters relating to professional and public policy in respect of the mission and strategic aims of the College and those that support the College's members. Council delegates some of its powers and functions to subcommittees and other groups. Risks are reported to Trustees and Council through the Audit and Risk Committee.

The Chief Executive, supported by the wider executive director team, is responsible for ensuring that risk management procedures are in place and that departmental and project risk registers are regularly reviewed, and that key risks and risk movement are reported appropriately. Every member of staff is responsible for managing risk as part of their daily role.

The COVID-19 pandemic brought considerable risks and uncertainty. Trustees, supported by Council, ensure continued oversight of the College's response to ensure that the College remains financially strong, supports our people and staff, and continues to support our members who have been at the forefront of the response to the pandemic. The executive team developed a revised short-term strategy following extensive Council and staff consultation, allowing the College to be agile in its response to the pandemic while developing a revised five-year strategy.

The short-term strategy was supported by an annual operational plan with progress reported regularly to Trustees. Our short-term priorities were to:

- undertake an urgent review of the College business model in the light of the coronavirus pandemic and its impact on existing income streams
- focus policy around key priorities
- complete the new building development including the museum works
- continue to deliver professional activities and to develop long-term resilience
- continue to improve the membership offer
- deliver strong financial management and improved IT systems
- develop a stronger Faculty of Dental Surgery
- maintain an efficient, effective, skilled, motivated and diverse workforce.

We have identified what we consider to be the key risks and challenges for the College during this period:

Risk	Mitigation
Global pandemic: That the College suffers, both in the UK and overseas, a major loss of income, delays to projects and impacts on wellbeing of staff during the ongoing pandemic.	• The College's Business Continuity Plan was tested during COVID-19 and individual plans adjusted for each department's circumstances. Technology allowed the majority of staff to work remotely. Our focus remains on staff wellbeing and support. • Development of more flexible ways of working, including all College meetings via Microsoft Teams. • Use of technology has allowed the College to continue to offer strong membership support including online seminars and events. • Successful delivery of some exams remotely including the MRCS Part A.
Financial resilience: Reduction in income from various income streams across the College due to COVID-19, world macro-economic events and cost of living pressures on staff. Safeguarding the charity's assets.	• Long-term strategic financial planning model was developed to provide a forward view of the operating position, cash flow and reserves, and early identification of performance pressures and options to redress position. • The Trustees approved a revised financial plan and budget to ensure the College remains financially strong and is able to continue to meet the needs of our members during the pandemic. • Regular reforecasts have taken place and have been discussed in detail at Finance and Investment Committee meetings. • Close monitoring of cost of living and inflation impact and higher interest rates on staff and members. • Private placement concluded September 2020. Close working with investment managers to ensure investment income is protected as far as possible from volatility in the stock market.
Organisational and building transformation	• The plan to redevelop our estate formed a central plank of the transformation programme. The strategic, financial and operational risks were subject to rigorous oversight and planning. Risks were identified and mitigated to ensure an operationally efficient, technologically smart and financially sustainable organisation. • Transforming the Building Programme plan identified all necessary tasks and dependencies for delivery. This was closely reviewed and progress was monitored by Trustees, the Audit and Risk Committee and the Finance and Investment Committee. • Risks arising from the impact of COVID-19 on the building construction were closely monitored and mitigated and, while there were some delays, the project was brought to a successful conclusion. • Effective professional support was identified to ensure that optimum value is delivered for the College, its membership and its external stakeholders.
Meeting regulatory obligations	• Detailed departmental risk register identifying risks and mitigations, managed by the information governance manager. • Mandatory eLearning training course (information security and data protection) must be passed by all staff annually. • General Data Protection Regulation (GDPR) awareness raising to ensure that staff are familiar with policies and guidance and the data protection officer as point of contact for advice • The Information Governance Steering Group was refreshed. Reporting to the executive directors team, it ensures regulatory requirements are reviewed regularly and implemented operationally.
Separation of the Faculty of General Dental Practice to establish the College of General Dentists	• The College managed the process well, putting governance and strong project management in place. The separation was completed successfully on 30 July 2021.
The continuing impact of COVID on staff	• Regular communication with staff. • A full review of terms and conditions has been undertaken introducing more flexible approach to working and improvements. • Organisational diagnosis was undertaken by an external consultancy. • Mental Health First Aiders introduced.

A number of emerging risks were identified and informed the development of the College's new five-year strategy.

A clear and focused strategy

Our new five-year strategy 2021–26, Changing the Face of Surgery, sets out our vision of excellent surgical care for everyone, and we aim to achieve this vision by enabling our diverse members to deliver excellence in everything they do. Throughout implementation we will focus on the risks that may impact our ability to deliver our strategic aims, including continued pressures on the NHS and regulatory changes. Our strong governance and engagement framework will also help to ensure we are able to respond to and manage any risks to our strategic objectives.

Digital capability

We are investing to ensure that our IT transformation is fit for purpose and supports the College's strategy and future growth plans. This includes a new customer relations management system and a new website to enable optimum user member experience.

Our digital capability will underpin the wider College strategy and will allow us to meet our strategic objectives, ensuring that our members are able to engage with us easily.

Diversity and inclusion

The College commissioned an independent review on diversity and inclusion, led by Baroness Helena Kennedy KC. This is a key element of our strategy that focuses on promoting diversity, inclusion and fairness both within the College and across the surgical and dental profession, embracing difference and ensuring that our profession and the College remain at the forefront of patient care.

Continued impact of the coronavirus pandemic

The coronavirus pandemic and the possibility of a further wave in the coming winter presents significant risk, especially in terms of our ability to run examinations and courses under these circumstances. We have already taken action to deliver some of our exams online and we are actively looking at further online delivery for other exams and courses. Other revenues, such as membership fees, are recognised as being more resilient, with our webinars, policy and press communications, and wellbeing initiatives providing important support for our fellows and members.

Going concern

The financial statements have been prepared on a going concern basis. While the uncertainty and disruption of the pandemic is receding, the College is now facing the economic consequences brought about by the unprecedented global lockdown and exacerbated by the war in Ukraine, which have led to rising energy and food prices and wider inflationary pressures. The College is cognisant that the worsening global and UK macro-economic position will present some testing challenges in the short to medium term. It is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2024.

The College prepares its annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to its revenue streams before the plan is finalised and approved. This next year will be a year of consolidation and progression as the College continues, following the departure of the Faculty of General Dental Practice, to reshape and develop its core course and exam offers, build and strengthen its membership offer to meet the needs of both the surgical and dental member

communities, and start to benefit from new commercial revenues and other new revenue opportunities. While the College considers that underlying revenues will return to pre-pandemic levels, margins have narrowed significantly as a result of the current inflationary environment. It is therefore vital that the College's transformation agenda is driven forward and a new business model is developed that positions the College to compete effectively in its marketplace and deliver longer-term financial sustainability.

The College has updated its long-term revenue and cash projections for its latest results, annual plan, and other expected changes in its operating position over the next 18–24 months. The projections are stress tested and set the minimum long-term operating surplus target that the College must achieve to meet its interest and repayment obligations in the medium to longer term. With £40m of long-term financing secured in November 2020, the College has sufficient cash reserves to conclude the remaining capital works in respect of the Hunterian Museum as well as continuing to support its general operations over the next 18–24 months.

The trustees consider that the College's primary revenue streams remain broadly robust and demand positive over the medium term, and that any reduction in revenues in this period as a result of a downturn in demand will be short term and recoverable. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to respond to and minimise any adverse impact on its financial position.

The trustees are satisfied that the College is in a position to manage effectively its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

Corporate trustee responsibilities

The College is a corporate trustee of the Colledge Family Memorial Fellowship Trust. This trust holds investments and assets in its own name and its activities are entirely separate from those of the College.

Colledge Family Memorial Fellowship Trust

The College is one of three trustees of the Colledge Family Memorial Fellowship Trust, which was set up to award travelling fellowships to surgeons. The other trustees of this Fund are Mr T George and Professor A Narula. We provide a number of services to the Trust, namely, the preparation of annual accounts, the submission of these and the annual return to the Charity Commission and liaison with the investment fund managers, Cazenove Capital Management, to ensure that the funds are invested in accordance with the wishes of the trustees. The trust's financial statements are audited by Crowe U.K. LLP.

The value of The Colledge Family Memorial Fellowship Trust endowed fund at 30 June 2022 is £2.8m (2021: £2.7m) and its restricted fund is £34k (£2021: £28k).

Other trustee responsibilities

The Sir Ratanji Dalal Research Scholarship Fund

Our President is one of two trustees of the Sir Ratanji Dalal Research Scholarship Fund, the other being the President of the Royal College of Physicians. We provide administrative and accounting services to the Fund and its trustees, preparing the annual accounts and annual return for submission to the Charity Commission.

The value of the Sir Ratanji Dalal Research Scholarship endowed Fund was £0.7m at 30 June 2022 (2021: £0.7m) and its restricted fund was £139k (2021: £114k). The financial statements are audited by Crowe U.K. LLP.

Funding partnerships

As a registered charity (212808), we rely upon charitable support to underpin our work in advancing surgical standards through education, research and training.

We are grateful to our many supporters, whose donations and encouragement are crucial as the demands on our limited resources become ever greater. We would like, in particular, to acknowledge the following charitable trusts, foundations, companies and individuals.

Foundations, charitable trusts, associations and individuals	
Association of Breast Surgery	Health Education England
Association of Coloproctology of Great Britain and Ireland	Hon Society of Knights of the Round Table Benevolent Fund
Barrow Foundation	Huggard Charitable Trust
Blond McIndoe Research Foundation	Ileostomy and Internal Pouch Association
Bowel Cancer UK	Joseph Strong Frazer Trust
Bowel Disease Research Foundation	Linder Foundation
Brain Research UK	Lollipop Foundation
Breast Cancer Now	Masonic Charitable Foundation
British Association of Plastic, Reconstructive and Aesthetic Surgeons	Miss Leela Kapila OBE FRCS
British Association of Urological Surgeons	Mr Bjorn Saven
British Orthopaedic Association	Mr Leon J Grant
British Society for Surgery of the Hand	National Joint Registry
Brock Webb Trust	Occtopus
Cadogan Charity	Richard Threlfall Charitable Trust
Circulation Foundation	Rosetrees Charitable Trust
Edwin George Robinson Charitable Trust	Shears Foundation
Federation of Surgical Specialty Associations	Sir John Fisher Foundation
Frances and Augustus Newman Foundation	Society of British Neurological Surgeons
Freemasons Fund for Surgical Research	Society for Cardiothoracic Surgery in Great Britain and Ireland
G D Herbert Charitable Trust	St Jude's Charity
G M Morrison Charitable Trust	Swann-Morton Foundation
Geoffrey Harold Greatrex Charitable Incorporated Organisation	Vascular Surgical Society of Great Britain and Ireland
George Drexler Foundation	Worshipful Company of Barbers
Gilbert and Eileen Edgar Foundation	Worshipful Company of Needlemakers
Golden Bottle Trust	Wyndham Charitable Trust
Gunnar Nilsson Cancer Treatment Trust Fund	

Corporate support

Abbott Medical	Limbs and Things
B Braun Medical	Medtronic
Butterfly Network	Molnlycke Health Care
Chase De Vere Medical	Oxford Nanopore
Eido Healthcare	Rocialle Healthcare
Ethicon UK	Siemens Healthineers
Johnson & Johnson	Stryker Corporation
Karl Storz Endoscopy (UK)	TruCorp Ltd

Endowed and restricted funds

Alban Barros D'Sa Scholarship Fund	Henry Lumley Charitable Trust
Arthritis Research Trust Fund	Margaret Witt Scholarship Fund
Blond McIndoe Fund	Philip and Lydia Cutner Fund
Doctor Shapurjui H Modi Memorial ENT Fund	Preiskel Family Fund
Fellows Fellowship Fund	Sorab (Soli) Jamshed Lam Research Fund
Harold Bridges Bequest	Vandervell Research Fund

Legacies

- The late Ms L Bartlett for the Margaret Witt Fund
- The late Ms D C Bartley for general charitable purposes
- The late Ms J Bolger for general charitable purposes
- The late Mr A J Clifford for general charitable purposes
- The late Mr D P Goodwin for general charitable purposes
- The late Mr H R L Lumley for library post graduate research grants
- The late Mr F T Middleton for general charitable purposes
- The late Mrs B Mountford-Quinn for general charitable purposes
- The late Mr A R Mowlem for general charitable purposes
- The late Mr J Rigby for the Arthritis Research Fund
- The late Mr J F Shuttleworth for surgical research
- The late Mr J C Stephenson for the Faculty of Dental Surgery
- The late Mr S J Surtees for general charitable purposes
- The late Ms P A Swain for the Arthritis Research Fund
- The late Ms R I Swan for research into spinal surgery
- The late Ms V E H Thiel for general charitable purposes
- The late Mr R T Turner-Warwick for general charitable purposes
- The late Ms S J White for general charitable purposes
- The late Mr A J Woolf for general charitable purposes

Structure, governance and management

Charter

The Royal College of Surgeons of England was established by Royal Charter in 1800 to promote and encourage the study and practice of the art and science of surgery. Its earlier history lies in the records of the City Companies of Surgeons and Barber Surgeons. The affairs of the College are regulated by its founding and subsequent charters and ordinances. The most recent of these charters was granted in April 2015, and prior to that in March 1992. The College is a charity, with the registered number 212808.

Constituent parts

For administrative purposes, the College comprises the Commonalty of Surgeons and the Faculty of Dental Surgery. The Faculty of General Dental Practice (UK) separated from the College on 30 July 2021 and Dr A Pal, Dean of the Faculty of General Dental Practice, demitted from the Board of Trustees at the separation date.

Trustees

The Board of Trustees, which came into effect with our new charter in April 2015, comprises the College Officers, the Dean of the Faculty of Dental Surgery, three elected trustees (elected by and from Council), and four lay trustees appointed by the Board. The Dean of the Faculty of General Dental Practice served on the Board until 30 July 2021, the date the Faculty transferred its operations to the College of General Dentistry.

Officers	
President	Professor N Mortensen
Vice-Presidents	Mr T Goodacre Mr T Mitchell Miss F Myint (from 8 July 2021)
Dean of Faculty of Dental Surgery	Mr M Garrett
Dean of Faculty of General Dental Practice	Dr A Pal (to 30 July 2021)

Elected trustees
Professor P Friend (from 8 July 2021)
Miss R Hargest (from 8 July 2021 to 7 July 2022)
Miss V Lees (from 8 July 2021)
Mr L Wijesinghe (from 7 July 2022)

Lay trustees
Mr P Davé
Lord Amyas Morse
Mr R Greig
Mr Simon Davis (from 1 October 2021)

Members of Council

Council consists of 24 elected surgical fellows, 10 appointed surgical specialty association members, and 2 dental surgery fellows elected by the Board of the Faculty of Dental Surgery. Surgical Council members are elected by postal ballot by fellows and members of the College. Specialty association members are appointed by a transparent and democratic procedure that has been determined by their appointing surgical specialty association and approved by the Council. In addition, during the year a number of invited members representing specific interests attended Council meetings.

Elected surgical and dental fellows

Mr A Ahmed	Professor F Smith
Mr W Allum	Miss S Vig
Professor F Bhatti	Mr L Wijesinghe
Professor P Brennan	Mr C Lavy (from 8 July 2021)
Professor P Friend	Miss N Yassin (from 8 July 2021)
Mr M Garrett	Miss S Howells (from 11 February 2022)
Professor T Goodacre	Miss N Fearnhead (from 7 July 2022)
Miss R Hargest	Miss L Hamilton (from 7 July 2022)
Mr R Kerr	Mr O Karim (from 7 July 2022)
Miss V Lees	Professor S Porter (to 22 October 2021)
Professor I Loftus	Miss S Hill (to 7 July 2022)
Mr T Mitchell	Mr P Kay (to 7 July 2022)
Professor N Mortensen	Mr P O'Flynn (to 7 July 2022)
Miss F Myint	Mr J Abercrombie (to 14 April 2022)
Mr A Nanu	Mr P Lamont (to 8 July 2021)
Miss V Pegna	Mrs S McNally (to 8 July 2021)
Professor T Rockall	

Surgical specialty association members

Mr S Dover	Mr P Spraggs
Mr J Glass	Professor R Sayers (from 10 February 2022)
Mr T Goodacre	Mr N Moorjani (from 7 July 2022)
Mr N Phillips	Mr S Kendall (to 12 July 2022)
Professor P Sagar	Mr E Nicholls (to 12 July 2022)
Professor J Skinner	Professor C Shearman (to 8 July 2021)

Governance

The Board of Trustees has responsibility for the overall direction of the College but delegates all substantive matters relating to professional and public policy to the Council and allows the Council to further delegate its powers.

All trustees and Council members are given an induction course and ongoing training on their responsibilities and other matters as required.

The trustees are aware of the Charity Governance Code published in 2017, which sets out the principles and recommended practice for good governance within the sector. The trustees are committed to maintaining high standards of governance and are satisfied that the College applies the principles of the code within its current governance arrangements. The College's compliance with the Code will be reviewed on an annual basis.

The committees of the Board are:

Committee	Chair
Audit and Risk Committee	Mr P Davé
Finance and Investment Committee	Lord A Morse
Remuneration and Nominations Committee	Mr R Greig

The committees of the Council are:

Committee	Council member
Learning and assessment	
Overall responsibility	Miss F Myint (from 8 July 2021), Mr C Shearman (to 8 July 2021)
Learning	Mr R Kerr (from 8 July 2021), Mr T Mitchell (to 8 July 2021)
Dental and Surgical Examinations	Mr M Garrett (from 8 July 2021), Miss F Myint (to 8 July 2021)
Library, Museums and Archives	Miss F Myint
Quality Assurance	Mr A Nanu
Research and Quality	
Overall responsibility	Mr T Goodacre
Research Fellowships and Lectureships	Professor P Friend
Global Committee	
Overall responsibility	Mr T Goodacre (from 8 July 2021), Ms S Hill (to 8 July 2021)
Global Policy and Advocacy	Mr T Goodacre (from 8 July 2021), Mr A Nanu (to 8 July 2021)
Global Surgery Programmes	Mr C Lavy (from 8 July 2021), Professor V Lees (to 8 July 2021)
Membership Engagement	
Overall responsibility	Mr T Mitchell
Annals and Bulletin Editorial	Mr J Glass
Future of Surgery	Professor J Skinner (from 8 July 2021), Mr R Kerr (to 8 July 2021)

The Faculty of Dental Surgery reports to Council and forms part of the business of the Board of Trustees. The faculty has its own committee structure and has a Dean to chair the Board of the Faculty. The results of the Faculty are included in the College's financial statements.

The Board delegates to the Chief Executive responsibility for the day-to-day management of the College and the Chief Executive delegates management of specific functions to Executive Directors, each of whom is responsible for a portfolio of directorates.

Subscribing fellows and members elect the Council and the Board of the Faculty.

Fellows and members as at 30 June	2022	2021
Commonalty of Surgeons:		
UK	14,000	13,888
Overseas	4,743	4,855
Affiliates	1,584	2,416
Total	20,327	21,159
Faculty of Dental Surgery:		
UK	3,487	2,620
Overseas	866	716
Total	4,353	3,336
Faculty of General Dental Practice (UK):		
UK	-	1,906
Overseas	-	14
Affiliates	-	101
Total	-	2,021
Joint members of FDS and FGDP(UK):		
UK	-	508
Overseas	-	34
Total	-	542
Joint members of FDS and FDGP(UK) (MJDF):		
UK	300	532
Overseas	118	163
Total	418	695
Total fellows and members:		
UK	19,371	21,971
Overseas	5,727	5,782
Total	**25,098**	**27,753**

Management

Principal managers employed during 2021-22	
Chief Executive	Mr A Reed
Deputy Chief Executive	Mrs J Weller
Executive Director (Resources)	Ms J Porritt
Executive Director (Learning and Quality)	Mr S Hills
Executive Director (Membership, Marketing, Communications)	Ms L Davies (from 1 September 2021)
Director of Finance	Ms C Hibbs
Director of Dental and Surgical Exams	Mr A Landau
Director of Learning	Ms L Goldring
Director of Library and Archives	Mr R Williams
Director of Membership	Ms N Rowe
Director of Museums	Ms D Kemp
Director of Research and Quality Improvement	Mr R Tomlinson
Director of Strategy, Training and Workforce	Ms K Smith
Registrar of the Faculty of Dental Surgery	Ms H Johnstone
Director of the Faculty of General Dental Practice (UK)	Mr S Thornton-Wood (to 30 July 2021)

Statement of trustees' responsibilities

The trustees are responsible for preparing the Report of trustees and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the group and of their net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity and the group will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Crowe U.K. LLP has indicated its willingness to be reappointed as the company's auditor for the coming year.

Signed on behalf of the members of the Board of Trustees on 17 November 2022.

Professor N Mortensen
President of Council
Chair of the Board of Trustees

Mr T Mitchell
Vice-President of Council
Member of the Board of Trustees

Independent Auditor's Report to the Members of the Royal College of Surgeons of England

Opinion

We have audited the financial statements of the Royal College of Surgeons of England ('the Charity) and its subsidiaries ('the group') for the year ended 30 June 2022 which comprise Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 the parent charity's affairs as at 30 June 2022 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 47, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 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 151 of the Charities Act 2011, and report in accordance with the Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities Statement of Recommended Practice (FRS102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), taxation legislation and employment legislation.

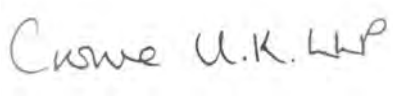
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit,

there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Crowe U.K. LLP
Statutory Auditor
London
28 November 2022

Crowe U.K. 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.

Financial Statements

Consolidated statement of financial activities for the year ended 30 June 2022

	Notes	Unrestricted funds £000	Unrestricted Discontinued operations £000	Restricted funds £000	Endowed funds £000	Totals £000	2021 £000
Income from:							
Grants, donations and legacies	5a	779	–	4,060	475	5,314	4,942
Charitable activities	5b	21,596	–	119	–	21,715	21,178
Trading activities	5c	295	–	68	–	363	199
Investment income	5d	376	–	18	298	692	601
Total income		**23,046**	**–**	**4,265**	**773**	**28,084**	**26,960**
Expenditure on:							
Raising funds	6a	557	–	204	260	1,021	928
Charitable activities	6b	20,517	95	6,255	–	26,867	24,609
Other expenditure	6c	6,558	–	–	–	6,558	4,028
Total expenditure		**27,632**	**95**	**6,459**	**260**	**34,446**	**29,565**
Net income/(expenditure) before investment gains/(losses)		**(4,586)**	**(95)**	**(2,194)**	**513**	**(6,362)**	**(2,645)**
Net gains/(losses) on investment	11	(845)	–	(22)	(375)	(1,242)	10,867
Net income/(expenditure)		**(5,431)**	**(95)**	**(2,216)**	**138**	**(7,604)**	**8,222**
Transfer between funds	16, 18	405	95	–	(500)	–	–
Application of total return	18	–	–	1,676	(1,676)	–	–
Net movement in funds for the year		**(5,026)**	**–**	**(540)**	**(2,038)**	**(7,604)**	**8,222**
Balances brought forward at 1 July	19	98,591	–	5,288	41,212	145,091	136,869
Balances carried forward at 30 June	**19**	**93,565**	**–**	**4,748**	**39,174**	**137,487**	**145,091**

The notes to the financial statements are on pages 55–86.

Consolidated balance sheet as at 30 June 2022

	Notes	2022 Group £000	2022 RCS England £000	2021 Group £000	2021 RCS England £000
Fixed assets					
Tangible fixed assets	9	104,001	104,001	102,947	102,947
Intangible fixed assets	9	1,855	1,855	1,672	1,672
Investments	11	74,898	74,898	78,672	78,672
Total fixed assets		**180,754**	**180,754**	**183,291**	**183,291**
Current assets					
Stock		67	67	68	68
Debtors	12	6,398	6,485	7,162	7,164
Cash and short-term deposits		10,841	10,841	13,417	13,417
Total current assets		**17,306**	**17,393**	**20,647**	**20,649**
Creditors: amounts falling due within one year	13	(17,367)	(17,454)	(17,208)	(17,210)
Net current assets/(liabilities)		**(61)**	**(61)**	**3,439**	**3,439**
Long-term liabilities					
Creditors: amounts falling due after more than one year	13	–	–	(37)	(37)
Defined benefit pension liability	20	(3,206)	(3,206)	(1,602)	(1,602)
Long-term loan	13	(40,000)	(40,000)	(40,000)	(40,000)
Total long-term liabilities		**(43,206)**	**(43,206)**	**(41,639)**	**(41,639)**
Net assets		**137,487**	**137,487**	**145,091**	**145,091**
Funds					
Fixed asset funds	16	70,057	70,057	68,820	68,820
Other designated funds		1,108	1,108	1,500	1,500
Property revaluation reserve	11	4,184	4,184	3,599	3,599
Pension reserve	20	(3,206)	(3,206)	(1,602)	(1,602)
General funds		21,422	21,422	26,274	26,274
Total unrestricted funds	**16**	**93,565**	**93,565**	**98,591**	**98,591**
Restricted funds	17	4,748	4,748	5,288	5,288
Endowed funds	18	39,174	39,174	41,212	41,212
Total funds		**137,487**	**137,487**	**145,091**	**145,091**

The notes on pages 55–86 form part of these financial statements. The parent charity deficit for the year is £7.6m (2021: £8.22m surplus).

Approved on behalf of the members of the Board of Trustees and authorised for issue on 17 November 2022.

Professor N Mortensen
President of Council
Chair of the Board of Trustees

Mr T Mitchell
Vice-President of Council
Member of the Board of Trustees

Consolidated cash flow statement as at 30 June 2022

		Total funds	
		2022 £000	2021 £000
Net cash provided by (used in) operating activities	**A**	**(1,882)**	**(2,491)**
Cash flows from investing activities:			
Dividends, interest and rents from investments		692	601
Purchase of property, plant and equipment		(3,918)	(33,206)
Proceeds from sale of investments		3,052	2,801
Purchase of investments		(520)	(437)
Net cash provided by/(used in) investing activities		**(694)**	**(30,241)**
Cash flows from financing activities:			
Net cash provided by (used in) financing activities		-	40,000
Change in cash and cash equivalents in the reporting period		**(2,576)**	**7,268**
Cash and cash equivalents at the beginning of the reporting period	B	13,417	6,149
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	**B**	**10,841**	**13,417**
A. Reconciliation of cash flows from operating activities			
Net income for the reporting period (as per statement of financial activities)		**(7,604)**	**8,222**
Adjustments for:			
Depreciation charges		2,681	2,205
(Gains)/losses on investments		1,242	(10,867)
Dividends, interest and rents from investments		(692)	(601)
Loss/(profit) on sale of fixed assets		-	30
(Increase)/decrease in stocks		1	(2)
(Increase)/decrease in debtors		764	175
Increase/(decrease) in creditors		1,726	(1,653)
Net cash provided by/(used in) operating activities		**(1,882)**	**(2,491)**
B. Analysis of cash and cash equivalents			
Current and short-term deposits		10,841	13,417
Total cash and cash equivalents		**10,841**	**13,417**

The notes on pages 55–86 form part of these financial statements.

Notes to the Financial Statements for the Year Ended 30 June 2022

1. Charity information

The Royal College of Surgeons of England was established by Royal Charter in 1800 and is a registered charity in England and Wales (charity number: 212808).

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and in accordance with the Statement of Recommended Practice (SORP): 'Accounting and Reporting by Charities (2019) preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)', effective from 1 January 2019, and the Charities Act 2011. The College constitutes a public benefit entity as defined by FRS102.

The financial statements consolidate on a line by line basis the financial statements of the Royal College of Surgeons of England and of its subsidiary undertaking, Hunter Trading Ltd (company number: 3110552), for the financial year ended 30 June 2022. Intergroup transactions are eliminated on consolidation. Hunter Trading Ltd is a private limited company incorporated in England and Wales.

2.1 Discontinued operations

The assets, liabilities, and employees associated with the Faculty of General Dental Practice were transferred to the College of General Dentistry on 30 July 2021 in accordance with the terms of the transfer agreement (see note 24). The assets and liabilities transferred to the College of General Dentistry are disclosed as net donated expenditure in the financial statements. The College considers that this transfer represents the complete discontinuation of a separate line of charitable activity and therefore constitutes a discontinued operation for the financial year ending 30 June 2022. In accordance with FRS102 and the Charities SORP, the College's continuing and discontinued operations have been separately analysed in the statement of financial affairs for the year ended 30 June 2022. The related operations have been re-presented as discontinued operations in the comparative statement of financial affairs for the prior period to 30 June 2021 (see note 27).

2.2 Going concern

The financial statements have been prepared on a going concern basis. While the uncertainty and disruption of the pandemic is receding, the College is now facing the economic consequences brought about by the unprecedented global lockdown and exacerbated by the war in Ukraine, which have led to rising energy and food prices and wider inflationary pressures. The College is cognisant that the worsening global and UK macro-economic position will present some testing challenges in the short to medium term. It is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2024.

The College prepares its annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to its revenue streams before the plan is finalised and approved. This next year will be a year of consolidation and progression as the College continues, post the departure of the Faculty of General Dental Practice, to reshape and develop its core course and exam offers, build and strengthen its membership offer to meet the needs of both the surgical and dental member communities, and start to benefit from new commercial revenues and other new revenue opportunities.

While the College considers that underlying revenues will return to pre-pandemic levels, margins have narrowed significantly as a result of the current inflationary environment. It is therefore vital that the College's transformation agenda is driven forward and a new business model is developed that positions the College to compete effectively in its marketplace and deliver longer-term financial sustainability.

The College has updated its long-term revenue and cash projections for its latest results, annual plan, and other expected changes in its operating position over the next 18–24 months. The projections are stress tested and set the minimum long-term operating surplus target that the College must achieve to meet its interest and repayment obligations in the medium to longer term. With £40m of long-term financing secured in November 2020, the College has sufficient cash reserves to conclude the remaining capital works in respect of the Hunterian Museum as well as continue to support its general operations over the next 18–24 months.

The trustees consider that the College's primary revenue streams remain broadly robust and demand positive over the medium term, and that any reduction in revenues in this period as a result of a downturn in demand will be short term and recoverable. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to respond to and minimise any adverse impact on its financial position.

The trustees are satisfied that the College is in a position to manage effectively its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

3. Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements may require management to make judgements and estimations in the process of applying the College's accounting policies that have a significant effect on the carrying amounts of assets and liabilities in the accounts. The nature of judgement and estimation means that actual outcomes may differ from expectation and may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

No judgements other than those involving estimations have been made by management in the process of applying the College's accounting policies in the preparation of these statements. Sources of estimation uncertainty may vary from year to year, and these are reassessed each year to ensure disclosure remains relevant.

Significant areas of estimation uncertainty in respect of the financial statements to 30 June 2022 are set out below:

- Application of component accounting in respect of fixed asset items with significantly different useful economic lives.
- Determination of useful economic lives for fixed asset items.
- Apportionment of cost for a mixed-use property.
- Calculation of defined benefit pension scheme liabilities.

3.1. Component accounting

The construction of the redeveloped freehold property was completed on 30 April 2021 and the property was brought into use from this date. The total redevelopment cost has been allocated across the relevant fixed asset classes. Major components within each asset class have been assigned depreciation measures that

reflect their significantly different useful economic lives. This has been based upon a detailed assessment of the construction contract provided by the capital programme's cost management consultants and discussions with the consultants to agree the principles of allocation in respect of costs not directly linked to physical assets. Management has revised the asset allocation only where required to ensure consistency of categorisation and alignment with standard asset accounting categorisations. Other assets within the class are grouped for depreciation purposes and allocated the depreciation measure of the nearest major component asset. Management considers that this approach provides a reasonable basis upon which to depreciate all the assets within each class (see accounting policy 4.4.1 Tangible fixed assets).

3.2. Useful economic lives

The depreciation rates adopted in respect of the major components of each fixed asset class arising from the redevelopment of the freehold property have been based on useful economic lives determined by the capital programme's specialist construction cost management consultants. Depreciation rates in respect of other fixed asset items in operational use are based on a range of factors including warranty periods and average expected replacement cycles as determined by relevant management personnel.

3.3. Apportionment of cost for a mixed-use property

The College intends to lease the second floor of its newly redeveloped freehold property to other organisations and therefore the second floor falls within the definition of an investment property. The investment property is measured at cost at initial recognition and then measured subsequently at fair value. The total cost of the freehold property has been apportioned between the net internal area and the gross internal area and then to each floor on a net internal area basis using the area data from the architect approved floor plans. This provides a cost for the leased second floor that is then transferred from tangible fixed assets to fixed asset investments.

3.4. Defined benefit pension scheme liabilities

The College participates in two multi-employer defined benefit pension schemes where the College is exposed to actuarial risks associated with other participating entities and is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Where these pension schemes are in deficit on a technical provisions basis, in accordance with Section 28 of the FRS102 'Employee benefits', the College recognises and discloses its share of the liability arising for contributions payable in respect of the deficit recovery agreement in existence at the date of approving the financial statements and recognises the resulting expense in the statement of financial activities. The College uses a deficit recovery model issued by the Universities Superannuation Scheme (USS) to calculate its share of the liability in respect of the USS scheme, making a number of estimations including discount rate, payroll and headcount growth to calculate the changes in the annual liability provision. The estimations are set out in Note 20 (Pension liabilities and charges).

4. Principal accounting policies

4.1. Income

Income is recognised when the entitlement is established, there is probability of receipt and the amount can be reliably measured. Income received relating to future accounting periods is deferred and shown as a creditor on the balance sheet.

4.1.1 Course and examination fees are recognised in the financial statements in the period in which the relevant course and examination takes place.

4.1.2 Membership subscription fees are accounted for on an accruals basis.

4.1.3 Grant income (revenue and capital) is accounted for on a receivables basis.

4.1.4 General and specific donations are credited in full in the year of receipt.

4.1.5 Legacy income is recognised when notified, providing the amount is measurable and receipt is probable.

4.1.6 Investment income is credited on a receivables basis.

4.1.7 Other income is accounted for on an accruals basis and recognised in the financial statements to the extent that the contract or service is completed.

4.2. Expenditure

All expenditure is accounted for on an accruals basis, and, with the exception of support costs, is attributed directly to each activity undertaken.

Expenditure in respect of charitable activities is categorised to reflect those areas of activity that support the delivery of our strategic priorities.

4.2.1 Employee costs include the net movement in year on the provision for annual leave accrued by employees in respect of services rendered as required by FRS102.

4.2.2 Support costs are allocated to activities on a basis consistent with the use of these resources: Building services costs are charged to departments and faculties based upon area occupied, portering and cleaning services, finance, IT and human resources costs are allocated based on the number of full-time equivalent staff.

4.2.3 Governance costs comprise those costs incurred in relation to the overall strategic management of the College and the costs of compliance with statutory requirements and under FRS102 are disclosed as part of support costs and allocated to other professional activities.

4.2.4 Overheads in relation to grant-funded projects are charged, where appropriate, on the basis of their activity.

4.2.5 Grants payable are charged in full in the period in which the recipients are notified of their award.

4.2.6 Fundraising costs comprise the costs incurred in encouraging others to make voluntary contributions to the College and its activities.

4.3. Taxation

The College is a registered charity incorporated by royal charter and as such is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.

The College's wholly owned subsidiary, Hunter Trading Ltd, is liable to corporation tax, but all profits earned on its trading operations are gifted each year to the College.

The College is partially exempt for the purposes of VAT and is only able to reclaim a percentage element of VAT charged on goods and services purchased.

4.4. Tangible and intangible fixed assets

4.4.1 Tangible fixed assets

Freehold land is stated at historic cost and is not depreciated as it is considered that its value is not impaired by the passage of time and therefore has an unlimited useful life.

Property development projects which are not completed at the year-end are shown as 'Assets in the course of construction' and are not depreciated until they are brought into use on practical completion.

In accordance with Section 17 of FRS102 (Property, plant and equipment), all fixed asset items are measured at cost at initial recognition. All items of property, plant and equipment are measured after initial recognition using the cost model. Under this model each fixed asset item is measured at cost less any accumulated depreciation and any accumulated impairment losses. Fixed assets are reviewed for impairment on an annual basis.

The freehold property redevelopment was completed on 30 April 2021. The total cost of redevelopment on practical completion has been allocated to four major asset classes: freehold building, plant and machinery, fixtures and fittings, and infrastructure equipment. The major component assets of each asset class have been identified. These component assets are subject to significantly different patterns of consumption of economic benefits. The useful life of these assets has been determined by construction cost management specialists. The useful lives of each of the major component assets within each asset class have been adopted as the principal component

depreciation measures. Other assets that are not identified as major component assets are allocated the useful life of the nearest major component asset as we consider that the useful lives of the major asset components reflect reasonably the varying patterns of consumption of future economic benefits for the entire asset class. All assets are depreciated over their useful lives using the straight-line method and the annual depreciation charge is recognised under 'Other expenditure' in the statement of financial activities.

The depreciation measures are set out as follows:

i. Freehold property assets are depreciated over component periods of 45, 60, 75 and 80 years.
ii. Plant and machinery assets are depreciated over component periods of 20, 25 and 40 years.
iii. Fixture and fittings assets are depreciated over component periods of 15, 20, 25, 30 and 50 years.
iv. Infrastructure equipment assets are depreciated over component periods of 5, 8 and 15 years.
v. Furniture assets are depreciated over component periods of 5 and 10 years.
vi. Leasehold improvement costs carried out in respect of the Nuffield property to provide suitable accommodation for College staff during its capital development project are capitalised and depreciated over the term of the operating lease.
vii. Computer and other equipment is depreciated over 4 years.

4.4.2 Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any impairment losses. Software development costs are recognised as an intangible fixed asset where these create an identifiable software asset from which future economic benefit will be derived. Any enhancements to existing software assets that result in additional functionality and therefore enhance the value of the asset to the business are also capitalised. Depreciation is charged so as to allocate the cost of the assets over their estimated useful lives using the straight-line method. The useful economic life of these assets is estimated at four years.

4.5. Fixed asset investments

Fixed asset investments are stated at fair value at the balance sheet date. These investments include cash held by the investment managers intended for investment or held as part of the portfolio.

In accordance with Section 16 of FRS102, investment property is property (land, building, and part of a building) held by the College for long-term rental yields and for capital appreciation and is not used for operational purposes. Investment property is measured at cost at initial recognition and then is measured subsequently at fair value.

Valuations are carried out for financial accounting purposes in accordance with the Valuation – Global Standards 2020 of the Royal Institution of Chartered Surveyors. Fair value represents the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction.

Changes in fair value representing the net unrealised gains and losses arising on revaluation are recognised in the statement of financial activities together with the realised gains and losses arising from disposals in the year. Where part of the freehold property is or is intended to be leased to another entity, then the property is deemed to be mixed use property and the cost of the property must be separated between property, plant and equipment that is held for operational use under tangible fixed assets and investment property that represents the area leased to another entity. If the fair value of the investment property component cannot be measured reliably then the entire property is accounted for as property under tangible fixed assets.

Endowments are accounted for under the total return approach using a base date of 24 June 1992 to determine the permanent capital of each endowment.

4.6. Heritage assets

Heritage assets are books, manuscripts, specimens, objects or other assets that have historical, scientific, artistic, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

The College's heritage assets comprise mainly the numerous specimens and artefacts collected by John Hunter in the 1700s and presented to the College in 1799, leading to the establishment of the Hunterian Museum. The College is by law the proprietor of these specimens and the Hunterian trustees have a duty to ensure that the College maintains the specimens and does not dispose of them. The College also owns historical books related to surgery and medicine which were bequests in the 19th century and are preserved and maintained in the library and are not to be disposed.

The museum and library closed in June 2017 ahead of the redevelopment of the estate and the collections were stored in appropriate secure facilities.

No value has been attributed to these heritage assets in the balance sheet on the grounds that the trustees consider there is no reliable method of establishing historic cost information for these artefacts and that the costs of valuation would be disproportionate to the benefit of the resultant information. No heritage assets have been purchased or disposed of the College in the last five years. The College received some donated heritage assets in this accounting period but none is deemed to have an individual value greater than £1,000.

4.7. Stock

Stock comprises goods produced for re-sale, including course manuals purchased or printed, and is stated at the lower of cost and net realisable value.

4.8. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and cash held on readily realisable short- term deposit with Cazenove Capital Management.

4.9. Financial instruments

A financial instrument is broadly defined as a contract that gives rise to a financial asset in one entity and a financial liability in another entity. These financial assets and liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. The College has financial instruments that fall into the category of basic financial instruments as defined under Section 11 of FRS102. FRS102 requires disclosure of the measurement bases of these instruments.

Financial assets measured at amortised cost include cash, trade debtors, other debtors and accrued income. Financial assets measured at fair value include investments. Financial liabilities measured at amortised cost include trade creditors, other creditors, and accruals.

4.10. Post-employment benefits

The College contributes to four pension schemes on behalf of its employees: the Universities Superannuation Scheme (USS), a multi-employer externally funded hybrid scheme providing defined benefits and defined contribution benefits, the Superannuation Arrangements of the University of London (SAUL), a multi-employer externally funded defined benefit scheme, the NHS Pension Scheme, a statutory unfunded multi-employer defined benefit public sector scheme, and Standard Life, a defined contribution scheme set up for employees in 2014. The USS scheme changed from a defined benefit only scheme to a hybrid pension scheme with effect from 1 October 2016, providing defined benefits (for all members), as well as defined contribution benefits.

The trustees are satisfied that the schemes provided by USS and SAUL meet the definition of a multi- employer scheme whereby the participating entities are not under common control and the schemes represent industry-wide schemes. Where the employer has entered into an agreement with a multi- employer scheme that determines how the employer will fund a scheme's deficit, FRS102 requires that the employer recognises the liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the income and expenditure account.

The assets of the USS and SAUL multi-employer schemes are held in separate trustee-administered funds. Given the mutual nature of these schemes, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other entities' employees and is unable to identify the College's share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The College is therefore required under Section 28 of FRS102 'Employee benefits', to account for these schemes as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

Formal valuations of USS and SAUL are undertaken every three years by professional qualified and independent actuaries using the projected unit method in which the actuarial liability for benefits makes allowance for projected increases in earnings. The Pensions Act 2004 introduced a new scheme-specific funding regime, requiring schemes to adopt a statutory funding objective and ensure that the schemes' assets are sufficient and appropriate to cover their technical provisions.

The College accounts for the NHS scheme as a defined contribution scheme and the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. The College contributes also to a defined contribution scheme with Standard Life and the pension costs charged to the income and expenditure account represent the contributions payable for the accounting period.

4.11. Other provisions for liabilities

Provisions are recognised when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that the College will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the consideration required to settle this obligation at the end of the reporting period.

4.12. Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight- line basis over the lease term.

4.13. Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the College's general charitable objectives.

Designated funds are unrestricted funds that have been designated by the trustees to be applied for specific purposes in the future.

Fixed assets funds represent the net book value of the unrestricted tangible and intangible fixed assets less any associated debt raised to finance fixed assets and the trustees consider that these assets are essential to the implementation of the College's operational strategy and that their disposal could adversely impact on the College's ability to deliver its aims.

Restricted funds represent donations, legacies, or other grants, given for specific purposes to be expended in accordance with the terms of the donation, legacy or grant.

Endowed funds represent donations or legacies given to the College, the terms of which stipulate that the original capital cannot be spent. The funds are invested to generate an income and capital growth which can then be expended in accordance with the purposes stated by the donor.

5. Income

Income from	Unrestricted funds	Restricted funds	Endowed funds	2022	2021
	£000	£000	£000	£000	£000
5a. Grants, donations and legacies					
Donations	40	820	–	860	1,483
Grants	–	3,141	–	3,141	3,152
Legacies	739	99	475	1,313	307
Total	**779**	**4,060**	**475**	**5,314**	**4,942**
Major legacies or gifts notified but not included in the financial statements, as they do not meet the income recognition criteria of entitlement, probability of receipt and measurement at the balance sheet date amount to £705k (2021: £45k).					
5b. Charitable activities					
Courses	3,931	10	–	3,941	2,830
Examinations	5,771	–	–	5,771	5,558
Subscriptions	9,180	17	–	9,197	9,556
Quality and standards income	1,076	2	–	1,078	962
Other charitable income	1,638	90	–	1,728	2,272
Total	**21,596**	**119**	**–**	**21,715**	**21,178**
5c. Trading activities					
Income from charitable trading	169	68	–	237	180
Income from taxable trading	126	–	–	126	19
Total	**295**	**68**	**–**	**363**	**199**
5d. Investment income					
Investment property income	172	–	–	172	148
Investment portfolio income	204	18	298	520	453
Interest received	–	–	–	–	–
Total	**376**	**18**	**298**	**692**	**601**
Income total	**23,046**	**4,265**	**773**	**28,084**	**26,920**

6. Expenditure

Expenditure on:	Unrestricted funds	Restricted funds	Endowed funds	2022	2021
	£000	£000	£000	£000	£000
6a. Raising funds					
Fundraising costs	400	188	–	588	537
Investment management fees	157	16	260	433	391
Total	**557**	**204**	**260**	**1,021**	**928**
6b. Charitable activities					
Quality and standards	1,314	2,529	–	3,843	3,198
Career and professional development	5,602	484	–	6,086	4,851
Influence and engagement	2,232	237	–	2,469	1,854
Training and assessing surgeons	5,952	–	–	5,952	4,833
Promoting public and professional engagement	2,896	195	–	3,091	2,549
Research and fellowships (note 7)	–	2,737	–	2,737	3,127
Faculty of Dental Surgery	2,521	73	–	2,594	1,381
Faculty of General Dental Practice	95	–	–	95	2,816
Total	**20,612**	**6,255**	–	**26,867**	**24,609**
6c. Other expenditure					
Leasehold improvements depreciation	–	–	–	–	1,274
Nuffield operating Lease	–	–	–	–	1,344
38–43 Lincoln's Inn Fields depreciation	2,357	–	–	2,357	401
Disposal of fixed assets	–	–	–	–	30
Interest payable	888	–	–	888	469
Other expenditure	3,313	–	–	3,313	510
Total	**6,558**	–	–	**6,558**	**4,028**
Expenditure total	**27,727**	**6,459**	**260**	**34,446**	**29,565**

Nuffield operating lease

The College entered into a leaseback arrangement to 30 June 2021 following the sale of a long lease over its Nuffield property In 2017. The leaseback represented a rent-free period asset that had been valued using an average market rent for similar space and location. The College occupied the property for the full term of the lease agreement and therefore the rent-free period asset was unwound over this period, representing 45 months in total. The charge in the final year was £1.34m and there were no outstanding liabilities at 30 June 2021.

Allocated support costs

Support costs comprise building and facilities services, finance and IT services, human resources and governance costs. These costs are allocated to activities on a basis consistent with the use of these resources. The allocation method and cost of each support service is summarised below.

Support services	Allocation basis	2022	2021
		£000	£000
Building services	Space occupied	997	682
Facilities services	Full-time equivalent staff	1,104	922
Human resources	Full-time equivalent staff	339	303
Finance services	Full-time equivalent staff	1,606	1,400
IT services	Full-time equivalent staff	2,397	2,381
Governance costs	Other professional activities	752	531
Total support costs		**7,195**	**6,219**

Governance costs include fees payable to the College's auditors in respect of audit and non-audit services.

Auditor's remuneration	2022	2021
	£000	£000
Auditor fees – parent charity	58	64
Auditor fees – Hunter Trading Ltd	4	4
Auditors non-audit fees	9	10
Total	**71**	**78**

SUPPORT COSTS ALLOCATION	Direct costs	Grants made	Support costs	2022	2021
Expenditure on	£000	£000	£000	£000	£000
Raising funds					
Fundraising costs	364	–	224	588	537
Investment management fees	433	–	–	433	391
Total	**797**	**–**	224	**1,021**	**928**
6b. Charitable activities					
Quality and standards	2,964	–	879	3,843	3,198
Career and professional development	4,455	–	1,631	6,086	4,851
Influence and engagement	1,186	–	1,283	2,469	1,854
Training and assessing surgeons	4,716	–	1,236	5,952	4,833
Promoting public and professional engagement	1,973	–	1,118	3,091	2,549
Research	758	1,768	211	2,737	3,127
Faculty of Dental Surgery	2,004	–	590	2,594	1,381
Faculty of General Dental Practice	72	–	23	95	2,816
Total	**18,128**	**1,768**	**6,971**	**26,867**	**24,609**
Expenditure total	**18,925**	**1,768**	**7,195**	**27,888**	**25,537**

7. Research grants

	2022	2021
	£000	£000
Research grants expenditure		
Research fellowships	1,765	2,115
Travelling fellowships and other projects	3	19
Surgical trial units	514	494
Administration	455	499
Total expenditure	**2,737**	**3,127**

Research fellowships		
Liabilities at the start of the year	(1,951)	(1,684)
Paid in the year	1,930	1,848
Liabilities at the end of the year	1,786	1,951
Charge for the year	**1,765**	**2,115**

Awards	**No.**	**No.**
Research awards	80	80
Travel awards	5	25
Total	**85**	**105**
Research awards include:		
1-year fellowships	28	31
2-year fellowships	3	3
3-year fellowships	1	1
Dental fellowships	12	12

	£000	£000
Grants awarded to individuals at institutions with which members are connected	**860**	**441**

Grants totalling £860k were awarded to individuals at institutions with which members of Council are connected (2021: £441k). These members of Council did not participate in the decisions to award the respective grants.

Surgical research fellowships awarded by the College are only eligible to surgical trainees who are members of the College (MRCS) and who have entered their period of specialty training (specialty registrars). The overriding objective of the surgical research projects is to improve care of surgical patients and the projects are based upon the principles of translational research (ie research examining a specific clinical problem). Details of the research fellowships awarded and other research projects undertaken are available in the annual research report published by the Research department.

8. Employee information

	2022 £000	2021 £000
Salaries and wages	8,928	8,558
National Insurance costs	981	937
Pension costs	3,077	1,277
Total	**12,986**	**10,772**

There were no redundancy and termination payments arising from restructuring activities during the year (2021: £50k).

The number of staff employed by the College as at 30 June was as follows:	2022 Nos.	2021 Nos.
Clinical Effectiveness Unit	17	16
Dental and Surgical Examinations	26	15
Fundraising	5	5
Executive Office	6	4
Faculty of Dental Surgery	13	10
Faculty of General Dental Practice (UK)	–	13
Global Affairs	5	2
Joint Committee on Surgical Training	22	22
Learning	23	19
Library and Museum	26	23
Membership and Engagement	33	37
Transform	4	3
Quality Improvement	10	14
Research	5	4
Support Services	36	41
Total	**231**	**228**

As at 30 June the number of employees whose emoluments exceeded £60,000 was:		
£60,000 – £70,000	11	10
£70,001 – £80,000	4	5
£80,001 – £90,000	1	3
£90,001 – £100,000	1	–
£100,001 – £110,000	2	2
£110,001 – £120,000	2	2
£120,001 – £130,000	–	–
£130,001 – £140,000	–	–
£140,001 – £150,000	–	–
£150,001 – £160,000	1	1

College key management personnel are set out on page 46 of the Trustees Report. Total employee benefits received in the year by the College's key management personnel amounted to £1.663m (2021: £1.791m).

No trustees received any remuneration for services as members of the Board of Trustees in the current and preceding years.

9. Fixed assets (Group and Charity)

TANGIBLE FIXED ASSETS	Freehold land	Freehold property	Fixture and fittings	Plant and machinery	Infrastructure equipment	Furniture	Computer and other equipment	Assets in course of construction	2022
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost at 1 July 2021	1,945	71,285	13,061	12,233	1,566	1,358	636	1,657	103,741
Additions during the year	–	436	–	–	28	24	–	3,048	3,536
Disposals during the year	–	–	–	–	–	–	–	–	–
Fixed asset reallocations	–	–	–	–	–	–	33	(33)	–
At 30 June 2022	**1,945**	**71,721**	**13,061**	**12,233**	**1,594**	**1,382**	**669**	**4,672**	**107,277**
Depreciation at 1 July 2021	–	(165)	(87)	(83)	(25)	(40)	(394)	–	(794)
Charge for the year	–	(939)	(522)	(495)	(161)	(239)	(126)	–	(2,482)
Disposals during the year	–	–	–	–	–	–	–	–	–
Fixed asset reallocations	–	–	–	–	–	–	–	–	–
At 30 June 2022	**–**	**(1,104)**	**(609)**	**(578)**	**(186)**	**(279)**	**(520)**	**–**	**(3,276)**
Net book value 2021	1,945	71,120	12,974	12,150	1,541	1,318	242	1,657	102,947
Net book value 2022	**1,945**	**70,617**	**12,452**	**11,655**	**1,408**	**1,103**	**149**	**4,672**	**104,001**

INTANGIBLE FIXED ASSETS	Computer software	Assets in course of construction	2022
	£000	£000	£000
Cost at 1 July 2021	2,616	1,440	4,056
Additions during the year	6	376	382
Disposals during the year	–	–	–
Fixed asset reallocations	**248**	**(248)**	–
At 30 June 2022	**2,870**	**1,568**	**4,438**
Depreciation at 1 July 2021	(2,384)	–	(2,384)
Charge for the year	(199)	–	(199)
Disposals during the year	–	–	**–**
Fixed asset reallocations	–	–	**–**
At 30 June 2022	**(2,583)**	–	**(2,583)**
Net book value 2021	232	1,440	1,672
Net book value 2022	**287**	**1,568**	**1,855**

Completion of construction works in respect of the College's freehold property located at 38–43 Lincoln's Inn Fields took effect on 30 April 2021 and the newly redeveloped property was brought into operational use from this date. The total development cost of £102.3m is allocated across the relevant fixed asset categories of freehold property, plant and machinery, fixtures and fittings, and infrastructure equipment.

The project to build and fit-out the Hunterian Museum will be complete by November 2022 and expenditure incurred to date in respect of this project continues to be accounted for under assets in the course of construction (£4.5m). Investment in the College's digital transformation agenda including the build of a new customer relations management system is held under Intangible assets in the course of construction (£1.34m). Following a pause in the project in the year, the first phase is now expected to go live in the next financial year.

The College has adopted the cost model as the method of subsequent measurement for the freehold property at 38–43 Lincoln's Inn Fields. The College intends to use the second-floor office area for long term rental yields and capital appreciation and is not therefore available for its operational use. FRS102 requires that this office area is defined as investment property and after its initial recognition at cost is to be measured at fair value. The cost of the investment property at £4.2m has been determined on an apportionment basis from the total cost of the redeveloped freehold property using the net internal area of the leased second floor as a proportion of total gross internal area. This cost was transferred from tangible fixed assets to fixed asset investments in 2020–21 (see Investments note 11).

A valuation of the freehold property as at 30 June 2022 was carried out by Gerald Eve, the College's real estate management agency, with an inspection taking place on 12 July 2022. The property is valued at £103.2m, a reduction of £3.1m from the 2021 valuation, reflecting a fall in the residual land value as building costs rise. This compares to a total cost of £102.3m. The valuers have confirmed that there have been no material changes to the property or its immediate locality between the inspection date and the valuation date of 30 June 2022.

The College exercised the option to tax land (and building) at 38–43 Lincoln's Inn Fields with effect from 1 March 2021.

The sale of a 155-year lease in October 2017 over the College's Nuffield property gave rise to a disposal of land and building. No value was attached to the reversionary interest in the lease as management considers a valuation to be problematic given the length of the lease and unlikely to be of material value. The residual freehold land at 38–43 Lincoln's Inn Fields is stated at the historic cost of £1.95m.

10. Heritage assets

Heritage assets can be acquired by gift, bequest, exchange or purchase on the open market.

The College's heritage assets comprise the designated collections held by the College library, museum and archives. The museum and library closed in June 2017 ahead of the redevelopment of the estate and the collections are now stored in appropriate secure facilities and with partner organisations across a number of locations for the period of the redevelopment.

Most archive and library material can be accessed via a research service based at the London Metropolitan Archives and research access to the museum collections is available on request. All enquiry and online services continue to be available and are detailed on the College website. Preservation and conservation costs continue to be incurred. No heritage assets were capitalised during the year as none exceeded the capitalisation threshold of £1,000.

The Hunterian Museum represents a world-class surgical heritage resource which seeks to tell the story of surgeons and surgery over the last three centuries. The main collection is the Hunterian Collection, which

comprises approximately 3,700 anatomical specimens and artefacts collected by John Hunter in the 1700s and presented to the College in 1799.

The College Museum Collection holds approximately 3,500 objects associated with surgical and dental research and training since 1800, including anatomy and pathology specimens that are over 100 years old. The Historical Surgical Instruments Collection consists of approximately 9,000 surgical instruments. The Special Collections cover fine and decorative art, including portraits and furniture, with over 5,300 objects in this collection.

The library collections became a designated collection under the Designation Scheme of the Arts Council England in 2013. They comprise an estimated 115,000 books and pamphlets dating from the 15th century, as well as an important collection of rare journals dating from the 17th century.

The 20th-century collections focus on surgery, dentistry, anatomy, physiology and pathology, while the subjects in the earlier collections reflect the evolution of medicine and surgery. Natural history and other scientific subjects are represented in the library collections, reflecting the work of 19th-century College museum curators responsible for the Hunterian Museum. Further information on all these collections is available on the College website at rcseng.ac.uk.

11. Investments

INVESTMENTS	Portfolio	Property	2022	2021
	£000	£000	£000	£000
Quoted securities at market value	62,171	–	62,171	66,294
Deposits with investment managers	1,082	–	1,082	1,318
Investment properties at fair value	–	11,645	11,645	11,060
Fair value at 30 June	**63,253**	**11,645**	**74,898**	**78,672**
Movements in the year:				
Fair value at 1 July	67,612	11,060	78,672	65,968
Additions	520	–	520	4,638
Disposals	(3,052)	–	(3,052)	(2,801)
Net gain/(loss) during the year	(1,827)	585	(1,242)	10,867
Fair value at 30 June	**63,253**	**11,645**	**74,898**	**78,672**
Cost at 30 June	62,853	4,537	67,390	64,933
Portfolio UK investments	1,082		1,082	1,318
Portfolio overseas investments	62,171		62,171	66,294
Portfolio fair value at 30 June	**63,253**		**63,253**	**67,612**

INVESTMENT PROPERTIES	Cost	Fair Value 2021	Fair Value 2022	SOFA Gain/(Loss)
	£000	£000	£000	£000
49–50a Lincoln's Inn Fields	336	3,260	3,125	(135)
38–43 Lincoln's Inn Fields (leased floor 2)	4,201	7,800	8,520	720
Investment property	**4,537**	**11,060**	**11,645**	**585**

Our investment fund managers may enter into commitments to purchase various currencies under forward rate contracts as part of their overall investment management strategy. At 30 June 2022 there were forward contract commitments at a market value of (£187,113) with a maturity date of 21 July 2022 included in the total investment value (2021: £nil).

The second floor of the freehold property, which is intended to be leased to other organisations and therefore is not available for operational use, is held as investment property. The investment property had a cost of £4.2m on transfer from tangible fixed assets in 2021. A valuation of £8.52m exclusive of VAT has been attributed to the investment property as part of the valuation of the whole building carried out by Gerald Eve on 12 July 2022, resulting in an overall net unrealised gain of £4.3m and an increase of £720k on 2021 (2021: £3.6m). A discount of 1.15% has been applied to the rental yield assumptions to reflect the 'strip' nature of the investment property.

A valuation of the College's investment property at 49–50a Lincoln's Inn Fields at 30 June 2022 was also carried out by Gerald Eve on 12 July 2022. This resulted in the carrying value of these assets decreasing marginally to £3.125m, reflecting a limited change in the commercial market for properties of this nature during this financial period.

The valuers have confirmed that there have been no material changes to the properties or their immediate locality between the inspection date and the valuation date of 30 June 2022. The valuations are undertaken by an independent valuer as defined by the Valuation Standards and assurance is obtained that the individuals carrying out these valuations have the appropriate knowledge, skills and experience to undertake the valuation competently.

12. Debtors

	2022		2021	
	Group	RCS England	Group	RCS England
	£000	£000	£000	£000
Trade debtors	1,696	1,696	2,094	2,094
Membership debtors	1,542	1,542	1,792	1,792
Accrued income	1,232	1,232	1,630	1,630
Prepayments	590	590	778	778
Other debtors including taxation	1,338	1,338	868	868
Amounts owed to group undertakings	–	87	–	2
Total	**6,398**	**6,485**	**7,162**	**7,164**

13. Creditors

	2022		2021	
	Group	RCS England	Group	RCS England
	£000	£000	£000	£000
13a. Amounts falling due within one year				
Accruals	7,265	7,265	6,335	6,335
Membership income in advance	3,333	3,333	3,804	3,804
Deferred income	3,971	3,971	4,144	4,144
Research grants payable	1,786	1,786	1,914	1,914
Trade creditors	657	657	677	677
Other creditors	72	72	71	71
Taxation and social security	283	283	263	263
Defined benefit pension liability	–	–	–	–
Amounts owed to group undertakings	–	87	–	2
Total	**17,367**	**17,454**	**17,208**	**17,210**
13b. Amounts falling due after one year				
Research grants payable	–	–	37	37
Defined benefit pension liability	3,206	3,206	1,602	1,602
Long-term loan	40,000	40,000	40,000	40,000
Total	**43,206**	**43,206**	**41,639**	**41,639**
13c. Analysis of deferred income				
Brought forward at 1 July	4,144	4,144	4,797	4,797
Deferred during the year	3,971	3,971	4,144	4,144
Released as income during the year	(4,144)	(4,144)	(4,797)	(4,797)
Carried forward at 30 June	**3,971**	**3,971**	**4,144**	**4,144**

Deferred income comprises education course fees and examination fees.

Long term loan

In the autumn of 2020, the College secured long-term financing through a private placement issue with Pension Insurance Corporation Group Ltd, a UK-based insurance company. The issue provided £40m of unsecured funding at an annual coupon rate of 2.22% with a maturity date of 30 years (due 3 November 2050) and weighted average life of 20.05 years. This funding was settled on 3 November 2020. The funds have been used to fund the redevelopment costs of the freehold property and the works to build and fit out the Hunterian Museum.

Interest is payable semi-annually on 3 May and 3 November each year and commenced on 3 May 2021. The principal sum will be repayable semi-annually on the 3 May and 3 November each year commencing 3 May 2026 until 3 May 2050 with a final sum of £8.15m repayable on 3 November 2050. The loan carries one financial covenant that must be tested on an annual basis. The covenant requires that the ratio of net debt of the Group to the net assets of the Group at 30 June shall not exceed 50%.

14. Financial instruments

	2022	2021
	£000	£000
Financial assets measured at amortised cost	16,643	19,682
Financial assets measured at fair value	63,253	67,612
Financial liabilities measured at amortised cost	(49,417)	(48,699)

15. Hunter Trading Limited

Profit and loss account	2022	2021
	£000	£000
Income	126	19
Expenditure	39	17
Profit before tax	**87**	**2**
Profits gifted to RCS	(87)	(2)
Results for the year	**–**	**–**

Balance sheet	2022	2021
	£000	£000
Debtors	87	2
Creditors: due within 1 year	(87)	(2)
Net assets	**–**	**–**

The College holds the entire issued £1 share capital of Hunter Trading Limited.

Conference events trading recommenced in the year following the opening of the new building in May 2021. The College entered into a commission agreement in 2021 with Searcys, a long-established, independent and highly respected catering company. Under the terms of the contract commission is payable from the second year of trading. However, this first year of trading has delivered unexpectedly good results and it was agreed that the trading profit would be shared 50:50 between Searcys and the College with £99k representing the College's share. The café posted a deficit of £15k for the year, which is borne fully by the College.

16. Unrestricted funds

	2021	Net surplus/ (deficit)	Investment gains/ (losses)	SOFA allocation	Fixed asset allocation	Long-term loan	Transfers from/(to) other funds	2022
	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets reserve net of LT loan	68,820	–	–	(2,681)	3,918	–	–	70,057
Other designated funds	1,500	–	–	–	(392)	–	–	1,108
Property revaluation reserve	3,599	–	585	–	–	–	–	4,184
Pension reserve	(1,602)	–	–	(1,604)	–	–	–	(3,206)
General funds	26,274	(4,681)	(1,430)	4,285	(3,526)	–	500	21,422
Total	**98,591**	**(4,681)**	**(845)**	**–**	**–**	**–**	**500**	**93,565**

Unrestricted reserves have decreased overall by 5% or just over £5m in the year. This is represented by a net expenditure position of £4.7m for the year, a loss of £845k on unrestricted investments offset by a transfer from endowed funds of £500,000.

The investment loss comprises £1.429m in respect of the unrestricted investments portfolio and a net gain of £585k in respect of investment property, comprising a gain of £720k in respect of the leased second floor and a loss of £135k in respect of 49–50 Lincoln's Inn Fields. A property revaluation reserve has been set up to hold investment gains or losses arising in respect of the investment properties.

General Funds have decreased by over £4.85m to £21.4m, a fall of 18%. The £40m loan to finance the property redevelopment is allocated to the fixed asset reserve, thereby reducing the amount of the College's funds that are required to be invested in its fixed assets. In-year capital additions transferred to the fixed assets reserve totalled £3.9m. The transfer of £500,000 represents a transfer of £500,000 from the Macrae Webb-Johnson endowed fund as a contribution towards the cost of the build and fit-out works for the new Hunterian Museum.

The general funds of £21.4m are represented broadly by the £21.23m of the unrestricted investment portfolio.

Unrestricted funds include a negative pension reserve of £3.2m to fund the FRS102 USS pension deficit liability (see note 20).

The trustees designated £1.5m in 2021 (Other designated funds) to support the next phase of the digital transformation agenda. A total of £392k had been expended by the end of the year and transferred to the fixed assets reserve leaving a closing fund balance of £1.1m.

17. Restricted funds

	2021	Income	Expenditure	Gains/(losses)	Transfers	2022
	£000	£000	£000	£000	£000	£000
Trust funds	2,449	216	(436)	(22)	-	2,207
Other restricted funds	2,839	4,049	(4,347)	-	-	2,541
Total restricted funds	**5,288**	**4,265**	**(4,783)**	**(22)**	**-**	**4,748**
The College has 26 trust funds and their position is set out below:						
Research trust funds:						
Sir Alan Parks Research Fund	255	2	(73)	(2)	-	182
Saven Research and Development Programme	319	3	(78)	(3)	-	241
Surgical Research Fund	272	18	(51)	(2)	-	237
Mr Sorab J Lam Legacy	226	2	(10)	(3)	-	215
Ethicon Travelling Fellowship	197	1	(5)	(2)	-	191
Moondance Foundation	210	2	(59)	(2)	-	151
Modi Fund	138	1	(1)	(1)	-	137
Blond McIndoe (joint fund with Education)	96	1	(1)	(1)	-	95
Arthritis Research Trust	125	5	(51)	(1)	-	78
Roberta Swan Legacy	–	75	–	-	-	75
Preiskel Fund	74	3	(4)	(1)	-	72
RCSE Fellows Fellowship Fund	99	7	(52)	(1)	-	53
Miss Carol Rummey Legacy	53	-	-	-	-	53
Gunnar Nilsson Cancer Treatment Trust Fund	-	90	(37)	-	-	53
Dunhill Medical Trust	27	-	(3)	-	-	24
Curry Legacy Damage/Pain	17	-	-	-	-	17
H Speight Discretionary Trust	21	-	(4)	-	-	17
Phyllis A George Legacy	8	-	-	-	-	8
Cutner Legacy	3	4	-	-	-	7
Rex and Jean Lawrie O/S Fund	5	-	-	-	-	5
Ethicon Research Fund	1	-	-	-	-	1
Shrimpton Fund	1	-	-	-	-	1
Fletcher Legacy	4	-	(4)	-	-	-
Education and training trust funds:						
E&T Haddock Legacy	98	1	(1)	(1)	-	97
Faculty of Dental Surgery funds:						
J W Mclean Fund	197	1	(2)	(2)	3	197
Faculty of General Dental Practice (UK) funds:						
Research Fund (FGDP(UK))	3	-	-	-	(3)	-
Total trust funds	**2,449**	**216**	**(436)**	**(22)**	**-**	**2,207**
Other restricted funds:						
Transform Fundraising	500	242	(188)	–	–	554
Robotics	–	250	–	–	–	250
eDEN (e-learning for dentistry)	253	10	(14)	–	–	249
National Vascular Registry	220	312	(303)	–	–	229
Breast Cancer Project	77	298	(225)	–	–	150
FDS-NAC	141	24	(17)	–	–	148
National Lung Cancer Audit	–	122	(4)	–	–	118
Anatomy Project	87	50	(29)	–	–	108
Expert Advisory Network	50	54	(2)	–	–	102
Other Balances less than £100,000	1,511	2,687	(3,565)	–	–	633
Total other funds	**2,839**	**4,049**	**(4,347)**	**–**	**–**	**2,541**
Total restricted funds	**5,288**	**4,265**	**(4,783)**	**(22)**	**–**	**4,748**

18. Endowed funds

	Unapplied total return	Permanent capital	Total endowment
	£000	£000	£000
Endowed funds at 1 July 2021	26,261	14,951	41,212
Investment income	298	–	298
Legacy income	475	–	475
Investment losses	(375)	–	(375)
Total income and gains	**398**	**–**	**398**
Application of total return	(1,676)	–	(1,676)
Investment management fees	(260)	–	(260)
Transfers	(500)	–	(500)
Total application and fees	**(2,436)**	**–**	**(2,436)**
Net movement in year	**(2,038)**	**–**	**(2,038)**
Total endowed funds at 30 June 2022	**24,223**	**14,951**	**39,174**

The College has 22 endowed funds and the 2021-22 position is set out below by fund:

Fund name	Unapplied total return 2021	Legacy income	Investment income	Investment (losses)	Applied total return 2022	Investment fees	Transfer of funds	Unapplied total return 2022	Permanent capital	2022 Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
RCSE Research Fund	**5,947**	–	71	(90)	(622)	(62)	–	5,244	3,784	9,028
RCSE Education Fund	**4,878**	–	51	(64)	(315)	(45)	–	4,505	2,262	6,767
RCSE Cancer Research Fund	**3,493**	–	38	(48)	(123)	(33)	–	3,327	1,756	5,083
Presidents Finch Fund	**1,423**	–	25	(32)	(37)	(22)	–	1,357	2,108	3,465
Dental Science Research Fund	**1,792**	–	20	(25)	(198)	(18)	–	1,571	1,016	2,587
Rank Chair Physics in Surgery	**1,635**	–	19	(24)	(152)	(16)	–	1,462	955	2,417
RCSE Library Fund	**1,466**	–	17	(21)	(98)	(14)	–	1,350	833	2,183
RCSE Biochemical Research Fund	**821**	–	9	(11)	(36)	(8)	–	775	374	1,149
Macrae Webb-Johnson Fund	**996**	–	10	(13)	(41)	(9)	(500)	443	425	868
Witt Fund	**159**	475	2	(3)	(1)	(2)	–	630	182	812
Moser Trust (FDS)	**554**	–	5	(7)	(3)	(5)	–	544	173	717
HS Morton Travelling Fellowship	**439**	–	5	(6)	(2)	(4)	–	432	200	632
Groves Bequest for Museum	**449**	–	4	(5)	(18)	(4)	–	426	161	587
George Qvist for Hunterian	**379**	–	4	(5)	(18)	(4)	–	356	209	565
John Kinross Fund	**428**	–	4	(5)	(2)	(3)	–	422	104	526
RCSE Prize Fund	**377**	–	3	(4)	(2)	(3)	–	371	61	432
Sims Commonwealth Travel Fellowship	**253**	–	3	(3)	(1)	(2)	–	250	106	356
Commemoration Fund (FDS)	**210**	–	2	(2)	(1)	(2)	–	207	66	273
RCSE Scholarship Fund	**179**	–	2	(2)	(1)	(1)	–	177	51	228
Rishworth Fund for Annals	**143**	–	2	(2)	(1)	(1)	–	141	50	191
Darlow Fellowship Fund	**124**	–	1	(2)	(1)	(1)	–	121	67	188
RCSE Museum Fund	**116**	–	1	(1)	(3)	(1)	–	112	8	120
Total endowed funds	**26,261**	**475**	**298**	**(375)**	**(1,676)**	**(260)**	**(500)**	**24,223**	**14,951**	**39,174**

Macrae Webb-Johnson Fund

The Board of Trustees of the Hunterian Collection confirmed and approved the divestment of a total of £500,000 from the Macrae Webb-Johnson Fund at its meeting on 26 June 2019 as a contribution to the cost of the fit-out works of the Hunterian Museum. The divestment was to be actioned as and when it was appropriate to do so. The divestment was actioned in June 2022. The Macrae Webb-Johnson bequest in respect of the new Hunterian Museum will be duly recognised within the Museum.

8 of the 22 funds have closing balances greater than £1m, amounting to £32.7m of the £39.17m of funds at 30 June 2022. A brief description of their purposes is provided below.

Fund name	Purpose of fund
RCSE Research Fund	To promote, carry on and fund study and research into surgery and related subjects and to publish useful results of such study and research
RCSE Education Fund	To educate surgeons, medical practitioners and the general public in the art, science and practice of surgery and related subjects and to further instruction and training in surgery
RCSE Cancer Research Fund	To promote, carry on and fund study and research into cancer and its preventative treatment and care and to publish useful results of such study and research
Presidents Finch Fund	Income to be applied for charitable purposes which will be of service for the welfare and advancement of the Science and Art of Surgery
Dental Science Research Fund	For the promotion of research into improving dental treatment and dental health
Rank Chair Physics in Surgery	To support research work
RCSE Library Fund	To promote, carry on, maintain and fund the establishment of libraries of the College for the furtherance of study and research into surgery and related objects
RCSE Biochemical Research Fund	To further biochemical research by such means as the Trustees shall from time to time see fit

The 14 funds with balances of less than £1 million, and amounting to £6.5m, are summarised under the following categories:

Research funds	Faculty of Dental Surgery funds	Museum funds	Travelling Fellowship (F/S) funds	Other funds
Darlow Fellowship Fund	Commemoration Fund	Macrae Webb-Johnson Fund	HS Morton Travelling F/S	Rishworth Fund for Annals
RCSE Prize Fund	Moser Trust	Groves Bequest for Museum	Sims Commonwealth Travel F/S	John Kinross Fund
RCSE Scholarship Fund		George Qvist for Hunterian		
Witt Fund		RCSE Museum Fund		

19. Analysis of net assets between funds

As at 30 June 2022	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2022 £000
Tangible fixed assets	104,001	–	–	104,001
Intangible fixed assets	1,849	6	–	1,855
Investments	32,879	2,334	39,685	74,898
Current assets	11,535	5,217	554	17,306
Current liabilities	(13,493)	(2,809)	(1,065)	(17,367)
Liabilities after 1 year	(43,206)	–	–	(43,206)
Total funds	**93,565**	**4,748**	**39,174**	**137,487**

As at 30 June 2021	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2022 £000
Tangible fixed assets	102,947	–	–	102,947
Intangible fixed assets	1,672	–	–	1,672
Investments	34,564	2,487	41,621	78,672
Current assets	15,171	5,470	6	20,647
Current liabilities	(14,161)	(2,632)	(415)	(17,208)
Liabilities after 1 year	(41,602)	(37)	–	(41,639)
Total funds	**98,591**	**5,288**	**41,212**	**145,091**

20. Pension liabilities and charges

	2022	2021
	£000	£000
USS defined pension liability	3,206	1,602
Liability less than 1 year	–	–
Liability greater than 1 year	3,206	1,602
Summary of pension scheme charges to statement of financial activities:		
USS	2,435	702
SAUL	525	466
STANDARD LIFE	76	80
NHS	41	29
Total	3,077	1,277
Charges in respect of the USS scheme to statement of financial activities:		
Employer contributions	832	880
Contributions allocated to deficit provision	(79)	(83)
Change in contributions from past expectations	1,656	(119)
Total pension contribution cost	2,409	678
Interest payable	26	24
Total pension charge	2,435	702
Charges in respect of the SAUL scheme to statement of financial activities:		
Employer contributions	525	466
Release of liability provision	–	–
Total pension charge	525	466
Scheme employee members	**Nos.**	**Nos.**
USS	74	79
SAUL	99	90
STANDARD LIFE	32	31
NHS	7	5
Total RCS England employees in a pension scheme	212	205
Total RCS England employees at 30 June	231	228

The College participates in two multi-employer defined benefit pension schemes, USS, and SAUL.

Following the 2017 USS valuation and a significant change in contribution rates, an additional valuation was carried out as at 31 March 2018. However, in accordance with the standard triennial valuation cycle, the next formal actuarial valuation date as required by the Pensions Act 2004 was confirmed as 31 March 2020. This was completed in October 2021 resulting in a new deficit recovery plan. The SAUL scheme reported a Technical Provisions deficit at the latest triennial valuation of 31 March 2020 but allowed for post-valuation positive market performance to 30 April 2021, which placed the scheme in a Technical Provisions surplus at that date and removed the requirement for any deficit recovery plan.

In accordance with Section 28 of the FRS102 reporting standard, the College is required to recognise its share of the liability for the contributions payable under any deficit recovery agreement in existence at the date of approving

the financial statements and the resulting expense in the income and expenditure account. The calculated share of the defined pension scheme liability and charge to the statement of financial activities are allocated fully to unrestricted funds on the basis that the conditions pertaining to the use of the College's restricted funds preclude charges of this nature.

Assumptions used to calculate the share of USS pension liability

The liability has been recalculated using the USS financial model provided with reference to a deficit recovery period from 1 July 2021 to 30 April 2038.

Calculation assumptions	2022	2021
Discount rate	3.70%	1.65%
Projected salary inflation:		
2022 – 2023	3.0%	2.0%
2023 – 2038	2.0%	2.0%

The discount rate is based on the iBoxx Sterling AA Corporate Bond rate over 15 years prevailing at the 30 June of each relevant year. Salary inflation assumptions take into account the level of annual pay increases set in the April before the relevant year-end and the Bank of England long-term inflation target of 2%. The calculation includes an assumption that scheme member numbers will reduce marginally again in the next year reflecting an ongoing realignment of member numbers to the qualifying grades for scheme membership. The assumptions underpinning the calculation reflect a prudent assessment of the available information and options but represents a key area of estimation uncertainty in the financial statements.

USS 2018 valuation

The 2018 valuation showed a scheme shortfall of £3.6bn with scheme assets sufficient to cover 95% of its Technical Provisions liabilities.

The scheme's actuary determined that scheme contribution rates should increase from 28.3% of salaries (employer 19.5%, employee 8.8%) to 34.7% of salaries (employer 23.7%, employee 11.0%). This increase was to be phased in over the period 1 October 2019 to 1 October 2021.

A deficit recovery plan was put in place as part of the 2018 valuation which required a 2% deficit contribution payment from salaries over the period 1 October 2019 to 30 September 2021 and then a 6% deficit contribution payment from 1 October 2021 to 31 March 2028. The 2020–21 defined benefit liability provision reflected this plan.

USS 2020 valuation

Following a lengthy process of consultation and negotiation with Universities UK, employer representatives, and with the Joint Negotiating Committee (JNC), the 2020 valuation and funding proposals, that included making changes to future member benefits from 1 April 2022, were agreed by October 2021 and filed with the Pensions Regulator with an effective date of 1 October 2021. The member benefit reforms and covenant support measures proposed were subsequently accepted by employers and members following a consultation process, allowing the 2020 valuation and scheme's funding position to be finally confirmed at a deficit of £14.1bn on a Technical Provisions basis, a significant deterioration from the £3.6bn shortfall at the 2018 valuation. The changes agreed have averted the need to implement much more significant increases in contribution rates that would have been necessary for the scheme to be put on a more sustainable footing over the long term.

Under the 2020 valuation and deficit recovery plan, the scheme contribution rates were set at 31.2% of salaries (employer 21.4%, employee 9.8%) between 1 October 2021 and 31 March 2022 with no deficit contribution payment required in this period (set at 2% up to 30th September 2021). This represented a rise

of 0.5% (employer 0.3%, employee 0.2%) from the previous level of scheme contributions. From 1 April 2022 employer contributions increased by a further 0.2% raising total scheme contribution rates to 31.4% and the deficit contribution payment rose to 6.2%. These rates are in place for two years until 31 March 2024 when the employer contribution rate will fall back to 21.4% and the deficit contribution payment will rise to 6.3%. The past service contributions are expected to remove the deficit by 30 April 2038 based upon the assumptions set out in the recovery plan.

SAUL 2020 valuation

The 2020 actuarial valuation funding principles were agreed by the Trustee and employers in June 2021. These will be reviewed at the next formal valuation in 2023. The 2020 valuation confirmed that the scheme was 94% funded on its Technical Provisions basis at 31 March 2020 with its assets valued at £3,612m. However, the Trustee and employers agreed to allow for positive post-valuation market movements up to 30 April 2021 on which date SAUL reported a Technical Provisions surplus of £357m with its assets valued at £4,369m, representing 109% of estimated liabilities. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required and there is no defined benefit liability to be recognised.

The 2020 valuation also revealed a significant increase in the cost of new benefit accrual and the contribution strain which led to the Trustee and employers agreeing to an increase in employer contributions from 16% of CARE salaries to 19% of CARE salaries from 1 April 2022 and to 21% of CARE salaries from 1 January 2023.

Supplementary scheme disclosures

Since the College cannot identify its share of the assets and liabilities of the USS and SAUL schemes, the following disclosures have been provided by the respective pension schemes to reflect those relevant for the schemes as a whole.

USS

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

At the valuation date, the value of the assets of the scheme was £66.5bn and the value of the scheme's Technical Provisions was £80.6bn, indicating a shortfall of £14.1bn. The assets therefore were sufficient to cover 83% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Scheme summary position at 31 March	2022	2021
	2020 valuation	2018 valuation
	£bn	£bn
Scheme assets	66.5	63.7
Scheme liabilities	80.6	67.3
FRS102 scheme deficit	(14.1)	(3.6)
FRS102 funding level	83%	95%

2020 VALUATION ASSUMPTIONS	
Financial assumptions	
CPI assumptions	Term dependent rates in line with difference between fixed interest and Index listed yield curves
Years to 2030	Less 1.1% p.a.
2030 to 2040	Reducing linearly by 0.1% p.a.
From 2040	Long-term difference of 0.1% p.a.
Pension increases	Subject to 0% floor, CPI assumption plus 0.05%
Discount rate (forward years)	Fixed interest gilt yield curve plus
Pre-retirement	2.75% p.a.
Post-retirement	1% p.a.
Demographic assumptions	
Mortality base table	
Males	101% of S2PMA "light"
Females	95% of S3PFA
Future improvements to mortality	CM1_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. & long term improvement rate of 1.8% p.a. for males and 1.6% for females

Life expectancies on retirement at age 65		
	2022	**2021**
	2020 valuation	**2020 valuation**
Males currently aged 65 years	23.9	24.7
Females currently aged 65 years	25.5	26.1
Males currently aged 45 years	25.9	26.7
Females currently aged 45 years	27.3	27.9

SAUL

The Superannuation Arrangements of the University of London (SAUL) is a centralised defined benefit scheme within the United Kingdom for the non-academic staff of over 50 colleges and institutions with links to higher education.

The SAUL Final Salary Section closed at 31 March 2016 and from 1 April 2016 all Members now build up pension benefits on a Career Average Revalued Earnings (CARE) basis.

The College is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the 'Technical Provisions'). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from members' accrued pension rights to be met. The Technical Provisions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

Other pension schemes

The College pays a contribution rate of 9% into the Standard Life defined contribution scheme and a contribution rate of 14.38% into the NHS Pension Scheme. No contributions in respect of these schemes were outstanding at the balance sheet date.

21. Transactions with trustees

No trustees receive any fees or honoraria for their services. Trustees claim travelling, subsistence and accommodation costs in carrying out their College responsibilities and attending relevant meetings. The total expenses reimbursed to the trustees holding office during the 2021–22 year amounted to £17k (2021: £72k). This represented reimbursements to seven trustees (2021: three) and includes sessional payments totalling £5k (2021: £71.5k).

Donations totalling £1k were received from trustees during the current period (2021: £2k). There were no related party transactions in the period.

22. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £616k in respect of build and fit-out contracts in respect of the redesign of the Hunterian Museum (2021: £2.33m).

23. Operating leases

These represent the future minimum payments that the College is committed to make under operating leases.

	Nuffield lease	Office equipment	Furniture, fittings and vehicles	2022	Nuffield lease	Office equipment	Furniture, fittings and vehicles	2021
	£000	£000	£000	£000	£000	£000	£000	£000
Payments due:								
Within 1 year	–	13	–	**13**	–	13	–	**13**
Between 1 and 2 years	–	13	–	**13**	–	13	–	**13**
Between 2 and 5 years	–	22	–	**22**	–	34	–	**34**
Total	**–**	**48**	**–**	**48**	**–**	**60**	**–**	**60**

24. Discontinued operations

The Faculty of General Dental Practice became an independent professional body on 30 July 2021 by the legal transfer on this date of the assets, liabilities, and employees associated with the Faculty to the newly formed College of General Dentistry, a company limited by guarantee (no. 02586636) and a registered charity (no. 1002769) which is under the management and control of a board of charity trustees. Prior to signing the transfer agreement, the Board of Trustees had taken all necessary steps to assure itself that the transfer is in the best interests of the College and its charitable objects.

The College considers that this transfer represents the complete discontinuation of a separate line of charitable activity and therefore constitutes a discontinued operation for the financial year ending 30 June 2022. In the event of a charity having a discontinued operation, an analysis of continuing and discontinued operations must be provided in the SoFA by way of additional columns (see pages 52 and 86).

As part of the separation arrangements, the College agreed to provide the College of General Dentistry with a grant of £500,000 and with an unsecured sterling working capital loan facility up to but not exceeding £260,000. The grant was made for the purpose of advancing the charitable objects of the College of General Dentistry. It cannot be applied for any other purpose without the College's prior consent and all or any part of the grant sum that is not expended for these purposes will be returned to the College. The grant terms remain in force until the later of 30 July 2024 and the date on which the grant has been applied in full and the College of General Dentistry has discharged all of its obligations.

The working capital facility was made available from 1 October 2021 and remains in place to 30 April 2024. The final repayment date for sums drawn down under this facility is 30 July 2024. Interest on the aggregate amount drawn down is payable at a rate of 4% per annum. No more than two drawdown notices are permitted in any loan year and any individual drawdown may not exceed £65,000. No drawdowns have arisen in the year.

Net assets of £82k, including ring-fenced cash held by the College of £104k, and membership fees of £145k that had been paid in advance by transferring faculty members, were paid to the College of General Dentistry in early August 2021. A further £204k of net assets has been written off at the end of the financial year, representing primarily a cash balance of £188k in respect of the Faculty's divisional activity, which was held separately by the Faculty and did not form part of the College's bank accounts. The charge in respect of discontinued operations for 2021–22 amounts to £808k, representing the £500,000 grant, the ring-fenced cash of £104k and the additional £204k of assets written off.

The College will remain responsible for any financial contribution in respect of any deficit in the USS and/or SAUL pension schemes that is attributable to those employees who transferred to the College of General Dentistry on 30 July 2021.

The College appointed, as permitted under the transfer agreement, one of its lay trustees, Pankaj Dave, as an Observer to the Board of the College of General Dentistry for the first year of its operation. The College has now agreed to extend this commitment for a further 12 months.

25. Restricted funds 2021 for comparison

	2020	Income	Expenditure	Gains/(losses)	Transfers	2021
	£000	£000	£000	£000	£000	£000
Trust funds	2,444	410	(797)	392	–	2,449
Other restricted funds	1,972	4,339	(3,398)	–	(74)	2,839
Total restricted funds	**4,416**	**4,749**	**(4,195)**	**392**	**(74)**	**5,288**
RCS has 24 trust funds and their position is set out below:						
Research trust funds:						
Saven Research and Development Programme	174	201	(80)	24	–	319
Surgical Research Fund	257	85	(112)	42	–	272
Sir Alan Parks Research Fund	185	106	(61)	25	–	255
Mr Sorab J Lam Legacy	202	2	(8)	30	–	226
Moondance Foundation	404	5	(299)	100	–	210
Ethicon Travelling Fellowship	190	1	(20)	26	–	197
Modi Fund	129	1	(10)	18	–	138
The Arthritis Research Trust	145	2	(42)	20	–	125
RCSE Fellows Fellowship Fund	110	–	(32)	21	–	99
Blond McIndoe (Joint Fund with Education)	98	1	(16)	13	–	96
Preiskel Fund	63	3	(1)	9	–	74
Miss Carol Rummey Legacy	48	–	(1)	6	–	53
Dunhill Medical Trust	30	–	(7)	4	–	27
H Speight Discretionary Trust	19	–	–	2	–	21
Curry Legacy Damage/Pain	15	–	–	2	–	17
Phyllis A George Legacy	50	1	(50)	7	–	8
Rex and Jean Lawrie O/S Fund	5	–	–	–	–	5
Fletcher Legacy	30	–	(30)	4	–	4
Cutner Legacy	3	–	–	–	–	3
Ethicon Research Fund	1	–	–	–	–	1
Shrimpton Fund	1	–	–	–	–	1
Education and training trust funds:					–	
E&T Haddock Legacy	108	1	(26)	15	–	98
Faculty of Dental Surgery funds:					–	
J W Mclean Fund	174	1	(2)	24	–	197
Faculty of General Dental Practice (UK) funds:					–	
Research Fund (FGDP(UK))	3	–	–	–	–	3
Total trust funds	2,444	410	(797)	392	–	2,449
Other restricted funds:						
Transform Fundraising	–	738	(238)	–	–	500
eDEN (e–learning for dentistry)	251	10	(8)	–	–	253
Bowel Cancer Study	127	299	(206)	–	–	220
National Vascular Registry	222	310	(313)	–	–	219
National Prostate Cancer Audit	130	305	(246)	–	–	189
FDS–NAC	149	11	(18)	–	–	142
Mary Kinross – Professorial Chair	135	75	(70)	–	–	140
Enid Linder – Professorial Chair	50	50	–	–	–	100
Global Surgery Policy Unit	–	100	–	–	–	100
Other balances less than £100,000	908	2,441	(2,299)	–	(74)	976
Total other funds	**1,972**	**4,339**	**(3,398)**	**–**	**(74)**	**2,839**
Total restricted funds	**4,416**	**4,749**	**(4,195)**	**392**	**(74)**	**5,288**

26. Endowed funds 2021 for comparison

	Unapplied total return	Permanent capital	Total endowment
	£000	£000	£000
Endowed funds at 1 July 2020	22,913	14,951	37,864
Investment income	275	–	275
Investment gains	5,155	–	5,155
Total income and gains	**5,430**	**–**	**5,430**
Application of total return	(1,818)	–	(1,818)
Investment management fees	(264)	–	(264)
Total application and fees	**(2,082)**	**–**	**(2,082)**
Net movement in year	**3,348**	**–**	**3,348**
Total endowment funds at 30 June 2021	**26,261**	**14,951**	**41,212**

RCS England has 22 endowed funds and the 2020–21 position is set out below by fund:

FUND NAME	Unapplied total return 2020 £000	Investment income £000	Investment gains £000	Applied total return 2020 £000	Investment fees £000	Unapplied total return 2021 £000	Permanent capital £000	2021 Total £000
RCSE Research Fund	**5,326**	65	1,240	(620)	(64)	5,947	3,784	**9,731**
RCSE Education Fund	**4,299**	47	893	(315)	(46)	4,878	2,262	**7,140**
RCSE Cancer Research Fund	**3,031**	35	652	(192)	(33)	3,493	1,756	**5,249**
Presidents Finch Fund	**1,116**	23	439	(133)	(22)	1,423	2,108	**3,531**
Dental Science Research Fund	**1,648**	19	363	(219)	(19)	1,792	1,016	**2,808**
Rank Chair Physics in Surgery	**1,396**	17	320	(82)	(16)	1,635	955	**2,590**
RCSE Library Fund	**1,276**	15	287	(97)	(15)	1,466	833	**2,299**
Macrae Webb-Johnson Fund	**863**	9	175	(42)	(9)	996	425	**1,421**
RCSE Biochemical Research Fund	**725**	8	150	(54)	(8)	821	374	**1,195**
Moser Trust (FDS)	**469**	5	87	(3)	(4)	554	173	**727**
HS Morton Travelling Fellowship	**364**	4	77	(2)	(4)	439	200	**639**
Groves Bequest for Museum	**395**	4	76	(22)	(4)	449	161	**610**
George Qvist for Hunterian	**328**	4	73	(22)	(4)	379	209	**588**
John Kinross Fund	**366**	3	64	(2)	(3)	428	104	**532**
RCSE Prize Fund	**327**	3	53	(3)	(3)	377	61	**438**
Sims Commonwealth Travel Fellowship	**211**	2	43	(1)	(2)	253	106	**359**
Witt Fund	**119**	2	41	(1)	(2)	159	182	**341**
Commemoration Fund (FDS)	**174**	6	33	(1)	(2)	210	66	**276**
RCSE Scholarship Fund	**152**	1	28	(1)	(1)	179	51	**230**
Rishworth Fund for Annals	**121**	1	23	(1)	(1)	143	50	**193**
Darlow Fellowship Fund	**102**	1	23	(1)	(1)	124	67	**191**
RCSE Museum Fund	**105**	1	15	(4)	(1)	116	8	**124**
Total endowed funds	**22,913**	**275**	**5,155**	**(1,818)**	**(264)**	**26,261**	**14,951**	**41,212**

27. Statement of financial activities for the year ended 30 June 2021 for comparison

	Notes	Unrestricted funds	Unrestricted Discontinued operations	Restricted funds	Endowed funds	Totals	2020
		£000	£000	£000	£000	£000	£000
Income from:							
Grants, donations and legacies	**5a**	300	–	4,636	6	4,942	4,817
Charitable activities	**5b**	18,570	2,588	20	–	21,178	19,633
Trading activities	**5c**	127	–	72	–	199	311
Investment income	**5d**	311	–	21	269	601	1,952
Total income		**19,308**	**2,588**	**4,749**	**275**	**26,920**	**26,713**
Expenditure on:							
Raising funds	**6a**	415	–	249	264	928	691
Charitable activities	**6b**	16,029	2,816	5,764	–	24,609	25,485
Other expenditure	**6c**	4,028	–	–	–	4,028	2,785
Total expenditure		**20,472**	**2,816**	**6,013**	**264**	**29,565**	**28,961**
Net income/(expenditure) before investment gains/(losses)		**(1,164)**	**(228)**	**(1,264)**	**11**	**(2,645)**	**(2,248)**
Net gains/(losses) on investment	**11**	5,320	–	392	5,155	10,867	2,425
Net income/(expenditure)		**4,156**	**(228)**	**(872)**	**5,166**	**8,222**	**177**
Transfer between funds	16 & 17	(154)	228	(74)	–	–	–
Application of total return	18	–	–	1,818	(1,818)	–	–
Net movement of funds for the year		**4,002**	**–**	**872**	**3,348**	**8,222**	**177**
Balances brought forward at 1 July	19	94,589	–	4,416	37,864	136,869	136,692
Balances carried forward at 30 June	**19**	**98,591**	**–**	**5,288**	**41,212**	**145,091**	**136,869**

Reference and administrative details

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Real estate advisors
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Registered Office
The Charity's registered office is at 38–43 Lincoln's Inn Fields, London, WC2A 3PE.

ROYAL COLLEGE OF SURGEONS OF ENGLAND

England & Wales - Charity number 212808

Accounts

The Royal College of Surgeons of England

Annual report and accounts
2020-21

Credits

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Page 28: Hunterian Museum
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Contents

OVERVIEW

President's foreword 1
Chief Executive's statement 3

TRUSTEES' REPORT

Our objects and aims 5
What we have achieved this year 7
- Supporting and engaging with our members 7
- Influence and engagement 9
- Research and quality 12
- Learning and assessment 14
- Supporting dental surgery and the wider dental profession 21
- Promoting public and professional engagement 23
- Fundraising 26
- Our new home of surgery 27

Looking ahead 29
Financial review 31
Funding partnerships 47
Structure, governance and management 49
Statement of trustees' responsibilities 54

Independent auditor's report to the members of
The Royal College of Surgeons of England 55

FINANCIAL STATEMENTS

Consolidated statement of financial activities 59
Consolidated balance sheet 61
Consolidated cash flow statement 63
Notes to the financial statements 65

ADDITIONAL INFORMATION

Reference and administrative details 103

President's Foreword

My first year as President was not a year any of us could have expected. The COVID-19 pandemic meant College meetings taking place remotely, with all of us becoming experts in Microsoft Teams, and the etiquette of hand-raising, unmuting and chairing webinars. This brought some major benefits, in particular the ability for many more RCS England fellows and members to join College events and discussions from all parts of the country without losing time to travel. Nothing can entirely replace face-to-face interactions but we continue to adopt a hybrid approach, providing flexibility and opportunity. Our aim is to make good use of the well designed new College building but also to balance that with the important business of making good use of colleagues' time and continuing our commitment to widening participation.

How to widen participation has been a key question throughout my first year. Baroness Helena Kennedy's review highlighted the importance of making sure that people from all backgrounds feel welcome at the College and in the wider surgical community. While her report included some testimonies that were painful to read, the journey we have embarked on at RCS England is essential. All of us can help here. I personally have pledged not to speak on any 'all male, all white' panels.

The pressing issue for surgical patients throughout the year has simply been getting access to surgery. With the surgical prioritisation guidance still in place to help the incredibly difficult decisions over whom to see first, RCS England has worked closely with NHS England, trying to restore and maintain as much elective surgery as possible. My regular meetings with Professors Steve Powis and Chris Whitty throughout this period have been invaluable, and we now see two current and former RCS England Council members (Miss Stella Vig and Mr Ian Eardley) take up key roles at NHS England as national clinical directors of elective care recovery. Meanwhile, the suite of RCS England guidance for surgical teams on issues including remote consultations, gaining consent and the wellbeing of surgical teams has proved invaluable.

Sadly, surgical waiting lists continue to increase month on month owing to the mix of pressures from COVID-19, staffing and lack of beds. In May 2021, we published *A New Deal for Surgery*, urging the UK government to increase the number of NHS staff and beds to the Organisation for Economic Co-operation and Development average. We

promoted the innovative endeavours of our surgical colleagues who have managed to establish COVID-light surgical hubs. The principle of separating planned surgery from emergency admissions is now well established. Our proposals resonated with the Secretary of State for Health and Social Care and with Downing Street, resulting in support for the principle and additional ringfenced funding for the elective recovery. These challenges will not be solved overnight of course and throughout, we have pointed out that the recovery must include surgical trainees, who have missed out on so much training over the last 18 months.

Although surgical training in the NHS has been severely disrupted, I was glad that we were able to maintain some of our own surgical training, following COVID-safe practices. More than 6,000 surgeons took part in our training over the year and I am indebted to the thousands of colleagues who volunteer their time to serve as trainers. Throughout the year, our activity in support of surgical research and quality improvement has continued apace. We established new research fellowships and awarded new pump priming grants to improve understanding of the implications of COVID-19 for surgery.

The successful delivery of the new RCS England headquarters in the midst of a pandemic is testimony to our Deputy Chief Executive and her team. We now need to make the building our home. Together with the new strategy published in July 2021, it offers the prospect of a bright future for the College and our work in the coming years.

While recent history has taught us never to predict the future, I am reassured by the resilience I have seen both in the staff and in the professional representatives of the College. Their ability to flex, adapt and do their best to manage whatever is

While recent history has taught us never to predict the future, I am reassured by the resilience I have seen both in the staff and professional representatives of the College.

thrown at them is heartening. So too are the efforts of all of you working in our hospitals, keeping surgery going in the most trying of circumstances. But the experience has shown us that this resilience is also the product of mutual support, respect and understanding.

Professor Neil Mortensen
President

Chief Executive's Statement

After the terrible outbreak of the coronavirus pandemic in the early part of 2020, the 2020-21 financial year threatened to be one of the most difficult the College has ever faced. As it turned out, it has arguably been one of our most successful. We started the year by admitting a new President, a new Dean of the Faculty of Dental Surgery (FDS), and two new Vice Presidents. All have quickly made their mark.

Our most visible success was the completion and handover of our new building at the end of April. It is the culmination of a four-year construction project and perfectly blends our modern outlook with our heritage, a magnificent space for our membership and our staff. Once the new Hunterian Museum has been completed and opened in early 2023, it will be an inviting space for the public too.

We have always been clear that the modernisation of our premises must be only a piece of our work to modernise the College as a whole. I was delighted that we were able to launch our new strategy along with the building in July 2021, putting excellence in surgery and supporting our membership at the very heart of what we do. The strategy sets out five clear aims: to lead the profession, to improve practice, to engage our members, to promote diversity and inclusion, and to transform our College. We adopted new values too, promoting collaboration, respect and excellence to underpin our work and our outlook.

Our other major strategic theme was diversity, equity and inclusion. The Kennedy report was both a shock and a shot in the arm. Following its publication in March we have been working hard on plans to implement its recommendations.

The Faculty of Dental Surgery (FDS) continued to play a vital role in the work and success of the College, adapting well to the challenges of COVID and developing important themes of public interest in relation to children's oral health, older people and the continuing campaign for fluoridation. We bid farewell, however, to the Faculty of General Dental Practice, who have fulfilled their long-term ambition to become a fully independent organisation. While many of their members have joined the new college, the FDS has

made welcome quite a number who have preferred to stay with us.

Sadly, the pandemic greatly restricted some of our activities, especially international exams. However, our surgeons, dentists and staff quickly adapted to remote working, and are to be congratulated for minimising the disruption to – and even enhancing - our services to fellows and members. It is particularly encouraging to have seen a continued increase in the numbers of fellows (up by 5% on last year) and members (up by 4%) in the College. Financially, we have worked hard to sustain an operating surplus. Our underlying operating surplus of £2.6m masks significant commitments that have been deferred into 2021-22, and a reduction in expected income of just over £1m. Nevertheless, it represents an excellent result in unprecedented difficulties. I am also pleased that, under the same challenges, we have taken an approach to investment management that meets the recognised standards of environmental, social and governance investment (ESG) to support our growing approach to sustainability.

My thanks this year go to the whole of our membership for the magnificent work they have done to care for patients in the pandemic, often at risk to themselves and their families, and to support the NHS. And once again, our staff have been exceptional.

Andrew Reed
Chief Executive

The number of ***fellows*** in the College has risen by **5%**

The number of ***members*** in the College has risen by **4%**

We have always been clear that the modernisation of our premises must be only a piece of our work to modernise the College as a whole.

Trustees' Report

The trustees of The Royal College of Surgeons of England are pleased to present their report for the year ended 30 June 2021.

Our objectives and aims

RCS England was established for the study and promotion of the art and science of surgery. Our vision is to see excellent surgical care for everyone.

Changing the face of surgery

Our mission

Our mission is to enable our members, in all their diversity, to deliver excellence in everything they do.

Our strategic aims

We will do this by:

- **leading our profession**: being the pre-eminent voice of surgery, championing excellent surgical care by engaging the profession, policy makers, patients and the public
- **improving practice**: continually improving the practice, standards and safety of surgical care, and developing the workforce across the UK
- **engaging our members**: inspiring, supporting, educating and representing the professional interests of a growing, diverse membership
- **embracing diversity**: championing the diversity of our profession, treating everyone with respect and compassion, and demonstrating our commitment to fairness, gender equality and anti-racism
- **transforming our College**: building a sustainable, diverse, digital, forward-looking organisation which plays its part in the world and is accountable for everything it does.

Our core values

Our values are:

Collaboration: we embrace our collective responsibility, working as one College

Respect: we value every person we come into contact with as an individual, we respect their aspirations and commitments in life, and seek to understand and meet their physical and wellbeing needs

Excellence: we aspire to excellence and success, we share learning from our experiences, apply feedback to practice, and commit to continual improvement.

Working for the public benefit

We deliver public benefit through a wide range of activities that influence and support the professional development of surgeons and the delivery of surgical services for the benefit of patients, surgeons and trainee surgeons. We provide strong leadership and support for surgeons in all matters relating to their surgical practice throughout their careers. Our activities and achievements, which all lead to public benefit, reinforce our strategic aims and demonstrate our commitment to maintain the highest standards of surgical practice and patient care.

The trustees confirm that they have paid due regard to the guidance issued by the Charity Commission on public benefit, and further confirm that the activities of RCS England are carried out for public benefit.

Our work is based on a number of the charitable purposes defined in the Charities Act 2006 – chiefly the advancement of education, the advancement of health or the saving of lives, and the advancement of the arts, culture, heritage or science. We engage directly with the public through the Hunterian Museum, the media, our publications and our journals (the *Annals*, the *Bulletin* and *FDJ*).

The College values of *Collaboration*, *Respect* and *Excellence* will underpin all of our work.

What we have achieved this year

Supporting and engaging with our members

During the past 12 months, we have been delighted to welcome more than 1,600 new fellows, members, affiliates and associates.

Throughout the year, we have worked hard to support our members with a wide range of activities and resources. We have been working closely with our networks of representatives across the UK. These networks are there to engage with members wherever they are based, and we have held over 40 meetings across all regions of England and the devolved nations. In the autumn, we held our first virtual event series for regional representatives and the RCS England President has been delighted to be able to continue to visit individual trusts, albeit virtually. More visits are planned over the coming year. For the first time, we are pleased to have recruited a new regional director in Scotland.

We have also found new ways to support and engage with our medical students and trainees, through the meetings of our Future Surgeons forum (attended by more than 30 student surgical societies and foundation doctors), sponsorship of a variety of surgical events and attendance at various national conferences.

We also used this time to develop a new outreach engagement strategy with our teams based in London and Manchester to improve the member experience and continue to support surgical professionals across all stages of their career.

At the end of 2020, the College invited fellows and members to complete its latest membership survey. It was an interesting point in time for us all to reflect on the services and support offered by the College, after months of grappling with a global pandemic. Overall, 77% of those surveyed believe their membership is important. While satisfaction levels have increased since the last survey, they are still not at the level they should be, and we are committed to improving our services and support so that we can provide real value for our members throughout their careers.

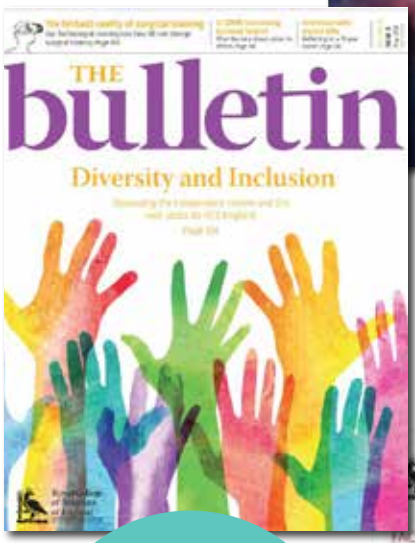
Webinars and virtual events continued to be the main feature of our events programme owing to the ongoing constraints of the pandemic, and we welcomed 5,676 participants to 53 webinars during the year. We were delighted to host the inaugural Future Surgery Show with our partner CloserStill. More than 1,600 members registered for the online event, and highlights included sessions on the future of surgical innovation and the challenges of restarting elective surgery.

Across its digital channels, the College has seen a year of continued growth and our website audience has increased by 10% to almost 1.9 million users. Our biggest social success was on Instagram, where we passed the 10k follower milestone with a post that featured a surgeon operating while 37 weeks pregnant, generating a record engagement of 27,000 likes.

The Women in Surgery (WinS) network has continued to flourish, growing by 3% in 2020–21 to a total of 6,424 members across the UK. This year, the WinS initiative has celebrated its 30-year anniversary. Since its inception, the number of women consultant surgeons has risen from 3% in 1991 to 13.9% in 2021, but there is still work to do. The anniversary was marked with a virtual conference on 10 September 2021 and a WinS takeover of the September issue of the Bulletin, which included articles on the history of the network, intersectionality and surgery, and improving sex balance. Members of the WinS forum will continue to support Council and other stakeholders as they implement the recommendations of the Kennedy review into diversity and inclusion.

The Women in Surgery network grew by ***3%*** in 2020 to a total of ***6,424*** members in the UK.

The *Annals* impact factor increased from ***1.220*** in 2019 to ***1.891*** in 2020.



The RCS publishing website saw a ***13%*** growth in digital traffic compared to last year.

Engagement with Bulletin articles has grown by **30%** in the last year.

Overall, the RCS journals published ***560*** articles in the last year.

Our three journals have continued to publish topical and informative content. Over the past year, digital traffic on our titles increased further. The publishing website (publishing.rcseng.ac.uk) saw a 13% growth in digital traffic compared with the previous year. The *Annals*, our research journal, celebrated a landmark increase in impact factor from 1.220 in 2019 to 1.891 in 2020. The *Bulletin* has continued to supply a plethora of features, opinions and research on areas such as diversity, equity and inclusion, wellbeing and mental health, and sustainability. We also published a highly successful second annual *Trainees' Bulletin*, written 'by trainees for trainees'. Engagement with *Bulletin* articles has grown by 30% from the previous year (source: Altmetric). Our dental journal, the *FDJ*, continues to broaden its impact and has increased its reach across social media by over 100% (source: Altmetric).

Influence and engagement

COVID-19

The COVID-19 pandemic and consequent efforts to recover surgical services have dominated our influencing and engagement activity over the last year. The College continued to be a key champion of the views of surgeons and trainees, and to advocate in the interests of surgical patients. As trusted advisors to MPs and the health service, we helped shape national guidance to keep surgery safe through these unprecedented times. We have been the leading voice of surgery and surgical issues in the national media throughout the year, ensuring that the recovery of services remains high in the

news agenda and at the top of political parties' priorities.

While warning of the impact and risks to patients of lengthening waiting times for surgery across England, Wales and Northern Ireland, we have advocated successfully for increased funding. In order to help services withstand future outbreaks of COVID-19 and winter pressures, we have proposed solutions such as surgical hubs, and recommended increases in hospital beds and staffing.

Our engagement has included supporting the College's Officers in their extensive interaction with leading politicians across all political parties, the Department of Health and Social Care, and the senior team at NHS England. Similarly, in the devolved nations, we have supported regional directors to engage with ministers and members of the Senedd and the Northern Ireland Executive, as well as working with health service leaders and officials on matters including establishing COVID-light surgical hubs, staff testing and personal protective equipment, the prioritisation of surgical patients, and strategies for restoring both urgent and elective surgical activity.

As an example, our previous President, Professor Derek Alderson, gave evidence to the House of Commons Health and Social Care Committee as part of its inquiry into the delivery of NHS services during the COVID-19 pandemic. Our evidence session to the health select committee received extensive media coverage and the subsequent report from the committee advising government led with our recommendation on staff testing.

Over the year, we continued fortnightly meetings with the Secretary of State for Health and Social Care to discuss the recovery of elective treatments across the NHS.

Alongside colleagues from other royal colleges, we also undertook a regular programme of meetings with the Rt Hon Jeremy Hunt MP, chair of the Health and Social Care Select Committee, to discuss the steps that need to be taken to address the waiting times backlog and workforce issues.

In September, we published a policy report on *Protecting Surgery Through a Second Wave*. Informed by responses from our survey of 970 surgeons across the UK, the report underscored the range of challenges facing surgical teams trying to restart surgical services after the first wave of the pandemic. Surgeons highlighted continued difficulty in accessing COVID-light facilities, a lack of theatre space and shortcomings in testing. The report informed our conversations with government, NHS England and other stakeholders as we built support for the recovery of surgical services across the UK.

In the media, we have continued to be a leading commentator on waiting times for treatment in England, Wales and Northern Ireland.

New Deal for Surgery

In May, we published a major new document, our *New Deal for Surgery* report. With widespread variation in the recommencement of surgical services, the report made 12 recommendations, including calling on the government to commit to an additional £1 billion for surgery every year for the next five years and the creation of surgical hubs across the country to reduce the surgical backlog. We also recommended adopting a long-term aim to reach the average levels published by the Organisation for Economic Co-operation and Development in terms of the numbers of hospital beds and doctors, flagging that both staffing and infrastructure are key to restoring timely access to surgery.

Action plans for Wales and Northern Ireland that are aligned to these principles but reflecting the particular challenges and needs of the devolved nations were also published, underpinning our influencing activity. The publication of these reports received extensive coverage across broadcast, print and online media.

In order to gauge public opinion on our proposals, in May, we commissioned opinion polling from Savanta ComRes, which found that:

- 78% of UK adults agree that the government should continue to give the NHS £1 billion in extra funding each year for the next six years to tackle long hospital waiting times;
- 58% of UK adults say that if they needed an operation, it would be important for them to be treated in a 'surgical hub' hospital (defined as a hospital that is not treating COVID-19 patients); and
- 73% UK adults say that if they needed an operation, they would be willing to travel to a

surgical hub if it was not their nearest local hospital.

Research and quality

Quality improvement

Having in 2018 successfully concluded our flagship quality improvement initiative, the Cholecystectomy Quality Improvement Collaborative (Chole-QuIC), in July 2019 we launched CholeQuIC-ER, an 'extended reach' collaborative supporting 24 hospitals across the UK to improve care for patients with acute gallstone disease. As part of our response to the COVID-19 pandemic, we extended the project to run until December 2020, supporting each hospital in its work to recommence this essential surgical service. Having evaluated our impact and reviewed our learning, we have now been able to offer a third phase of quality improvement support to UK hospitals. The 12 hospitals joining Chole-QuIC3 between January and June 2021 will benefit from the College's quality improvement expertise from July 2021 to June 2022.

Following successful delivery of these quality improvement collaboratives in general surgery, we are also diversifying our work into other surgical specialties to support them to improve. HandsFirst (our new quality improvement collaborative to improve care for patients experiencing hand trauma) has already recruited participant hospitals and is scheduled to commence in autumn 2021.

Good practice guidance

COVID-19 resources

Since March 2020, our good practice guidance has been central to the College's work to support surgeons, surgical care teams and patients in their response to the COVID-19 pandemic. In addition to contributing to crucial wider guidance published across the surgical and healthcare sector, we have led the development of the following resources:

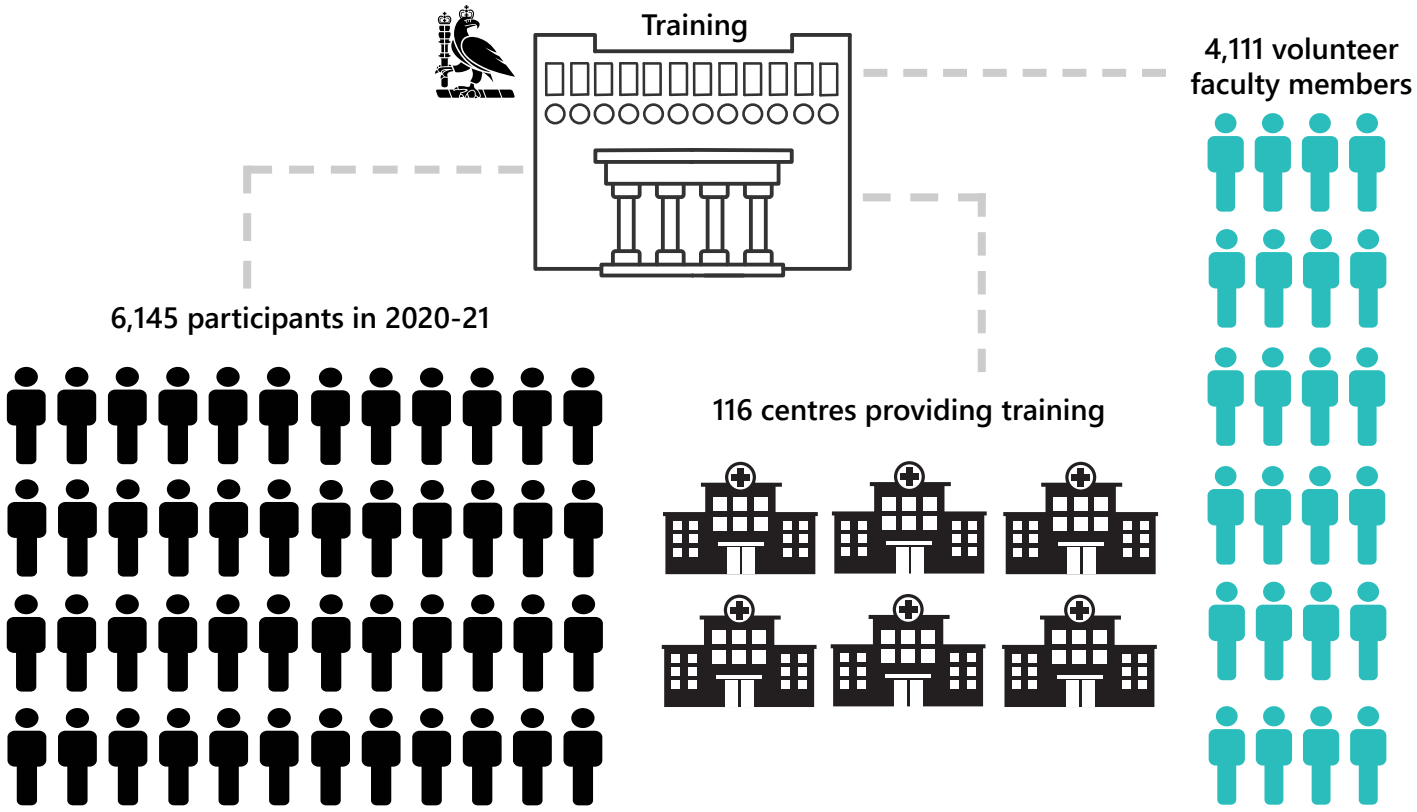
COVID-19 RESOURCES

- COVID-19: Good practice for surgeons and surgical teams
- Recovery of surgical services during and after COVID-19
- Recovery tool 1: Checklist for restarting elective services
- Recovery tool 2: Safety considerations and risk assessment
- Recovery tool 3: Information for patients
- Recovery tool 4: Virtual consultations
- Recovery tool 5: Consent
- Recovery tool 6: Wellbeing of surgeons
- Recovery tool 7: Managing elective surgery
- Vaccine-induced thrombosis and thrombocytopenia – neurosurgical, gastrointestinal, vascular.

Wider good practice guidance

Having paused the development of our core good practice guidance to support the College's immediate response to the COVID-19 crisis, we recommenced our creation of new good practice

The year 2020–21 also saw the approval our 100th RCS England Senior Clinical Fellowship.



guidance resources in October 2020. The expert resources developed included:

- Supporting Surgeons After Adverse Events (December 2020)
- Quality Improvement in Surgery – Basic Principles (March 2021)
- A Trainee's Guide to a Quality Improvement Project (March 2021)
- Managing Disruptive Behaviours in Surgery (April 2021).

Invited review and accreditation

We undertook important work to assure and improve the quality and safety of patient care, completing 25 individual, service and clinical record reviews. Our accreditation team accredited 132 continuing professional development events, 27 courses, 23 UK surgical education centres and a further 25 surgical education centres globally. The year 2020–2021 also saw the approval our 100th RCS England Senior Clinical Fellowship.

Research fellowships and surgical trials

Despite the devastating impact of COVID-19 on surgery, we are proud to have been able to sustain a thriving programme of research fellowships and wider awards, thanks to the continuing support of our extremely generous and longstanding funding partners. New research fellowship partnerships established in 2020–2021 comprise:

- Barrow Foundation UK
- Brain Research UK
- McIndoe's Guinea Pigs Memorial Trust
- Ileostomy and Internal Pouch Association (who kindly established the RCS England Neil Mortensen Research Fellowship in Inflammatory Bowel Disease).

Several pump priming grants were awarded to support COVID research, with this being made possible by the RCS England Winter Appeal, the Rosetrees Trust, the Saven Research and Development Programme, and other RCS England research restricted funds. We worked closely with all our trainees to enable them where necessary to put their research fellowships on hold and temporarily return to their hospitals to support the efforts of the NHS to respond to the pressures of the specific COVID-19 peaks, while maintaining momentum with their crucial research.

We continue to support the 7 groundbreaking surgical trials centres and now have 22 surgical specialty leads in post, taking forward a thriving programme of work to support UK surgical trials.

Clinical effectiveness

The College's Clinical Effectiveness Unit works closely with the surgical specialty associations to conduct large-scale studies into the quality of surgical care. Its portfolio of work covers four national clinical audits on breast, bowel, prostate and oesophagogastric cancer as well as national studies of vascular surgery, emergency bowel surgery, and the care received by children with cleft lip and palate. These studies publish annual 'state of the nation' reports that are used by NHS services, healthcare regulators, and policy makers to improve the quality of care for patients.

The Clinical Effectiveness Unit also produces summary reports for patients and the public, written with charities like Breast Cancer Now, and publishes articles in peer-reviewed medical journals. Of the various initiatives that flow from this work, the unit has also continued to support a quality improvement programme with the Vascular Society to improve the care of patients with critical limb threatening ischaemia.

Learning and assessment

Learning

Our learning offer is central to our strategic aims, supporting our members and meeting the current and future needs of the surgical workforce. Highlights of this year have included the following:

- We maintained high quality face-to-face training throughout the pandemic, working closely with our partner and regional centres, and with our faculty to ensure that courses were COVID safe and that the disruption to surgical training was minimised.
- We delivered training to 6,145 participants in 2020–21, working with 116 centres. Our 4,111 volunteer faculty members are the essential backbone without whom this would not be possible.
- We set up our brand new Professional Surgical Centre, ready to deliver courses from September

2021. The Professional Surgical Centre is a state-of-the-art surgical training facility, bringing together tried and tested educational methods and essential knowledge and skills for surgeons with evidence-based technology-enhanced learning.

- We integrated new technology into our future offer, working with exceptional quality anatomical imagery, and we increased our virtual and remote learning offer, running entirely online faculty development, launching virtual classrooms and releasing new PGCert modules. A total of 143 students enrolled on the PGCert course and 759 modules were purchased across the year.
- We increased our professional development offer, particularly focusing on leadership skills, human factors and teamwork.

Our surgical learning and innovation podcast, *The Theatre*, has gone from strength to strength, attracting 10,119 listeners in 2020–21. Among our successes, we collaborated on a series about health inequalities with Melanin Medics and released another series focusing on learning conversations around LGBTQ+ experiences.

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Global engagement

The Global Affairs team has been successful in establishing a number of projects with partners during the year to progress its strategic aim of improving surgical care and outcomes globally. These include:

- Partnership for Surgical Systems Strengthening – this will enable the College to work with the Somaliland Ministry of Health Development and the Somaliland Medical Association to produce the country's first national surgical, obstetric and anaesthesia plan. Partners include the Somaliland Nursing Anaesthesia Network and Hargeisa Group Hospital, which is the country's largest public hospital.
- Humanitarian Surgery Initiative – this will focus on how technology and innovation can be harnessed to deliver training courses, assist in surgical management and assist with direct delivery of surgery in austere environments. Partners include Médecins Sans Frontières and Stanford University. This initiative is being supported by the UK Humanitarian Innovation Hub.
- Working to establish a global surgery policy unit in collaboration with the London School of Economics – this will undertake policy research

The Global Affairs team has supported trainees whose placements have been affected by the reorganisation of services to cope with the pandemic.

to provide the evidence base for informing and engaging decision makers.
- Continuing to work with the Ministry of Health and Population in Egypt as it reviews its postgraduate surgical training programme.

The International Surgical Training Programme (ISTP) and the General Medical Council's (GMC's) Sponsorship Scheme have continued to operate during the COVID-19 pandemic, and the Global Affairs team has supported trainees whose placements have been affected by the reorganisation of services to cope with the pandemic. In 2020–21, the team facilitated 137 new training placements for international medical graduates in 31 NHS trusts. Of these, 78 were matched through the ISTP and 59 through the Sponsorship Scheme. In relation to the ISTP Projects and Research Fund, the College made three new grant awards to ISTP trainees in 2021:

- Professor Oscar Fernandez-Diaz (Mexico) – to establish the first microsurgery simulation centre in western Mexico.
- Professor Shilpa Sharma (India) – to develop a simulation model for paediatric laparoscopy.
- Dr Satyendra Persaud (Trinidad and Tobago) – to establish a laparoscopic training laboratory.

A 2020 grant recipient, Dr Charles Mabedi, was awarded continuation funding to expand his task-shifting pilot on the management of urological emergencies. This further funding includes following up on patient outcomes and documenting the impact.

Training and assessing surgeons

We are a leading national and international centre for surgical and dental assessment. Across our 14 different qualifications for which we run assessments, we sought to address the considerable challenge of COVID-19 by delivering the majority of these remotely from autumn 2020. As restrictions around travel and congregation ease, we are now in the process of identifying how best to deliver our assessments moving forwards; central to this is the identification of changes introduced in response to COVID-19 that should remain in perpetuity or be developed further, rather than simply a reversion to pre-COVID practices.

As restrictions around travel and congregation ease, we are now in the process of identifying how best to deliver our assessments moving forwards.

We returned to face-to-face diplomates ceremonies in October 2021.

Such considerations focus on three areas: the use of technology, improved accessibility and increased sustainability. We are looking to build on the use of technology within our assessments, not just to improve candidate experience but also to enhance the quality and consistency of assessment material with the incorporation of high definition images and videos. Remote assessment, meanwhile, has enabled candidates to sit our examinations safely during the pandemic; we want to look at future delivery models that retain that accessibility as part of a modernised approach to written assessments in particular. Finally, we are seeking to resume our international oral and clinical examinations activity by establishing a template for assessing candidates based overseas without the need for large-scale travel on the part of staff and examiners. This is a necessity at present but points to a more sustainable longer-term solution to continuing the important role our examinations play in raising standards in clinical practice overseas.

The Joint Committee on Surgical Training (JCST), which we host on behalf of all four surgical colleges in the UK and Ireland, enrolled 543 new specialty trainees during 2020–21. It also recommended 457 trainees for certification (including 18 in Ireland), and evaluated 137 Certificate of Eligibility for Specialist Registration applications and reviews on behalf of the GMC.

During the disruption brought about by COVID-19, the JCST took it upon itself to actively support and guide trainees affected by the pandemic. It worked closely with the four statutory education bodies, the GMC, the Confederation of Postgraduate Schools of Surgery and trainee associations (Association of Surgeons in Training and British Orthopaedic Trainees Association) to support surgical trainees and trainers across the UK. Some of the work undertaken is highlighted below:

- Publication of a number of statements that included guidance on a range of areas such as the annual review of competence progression, examinations and national selection as well as signposting to other resources;

- publication of a guidance document on voluntary recording of COVID-19 related experience in the Intercollegiate Surgical Curriculum Programme to aid trainees who were redeployed;
- publication of a document on maximising training opportunities, highlighting the importance of ensuring that surgical training continues to happen (with the latest version endorsed by the four surgical royal colleges), which was also linked to the JCST's #NoTrainingTodayNoSurgeonsTomorrow campaign;
- development of curriculum derogations, with support from the statutory education bodies and approval from the GMC, to allow trainees to continue to progress through their training (including being able to meet national selection requirements for entry to specialty training) without being penalised owing to cancellation of examinations, for example;
- following approval from the Curriculum Assessment Group and in line with the GMC's *Excellence by Design* curriculum standards, development of a new assessment tool (the multiple consultant report), which went live alongside the new curricula in August 2021. During the year, the JCST, together with its clinical leads, also delivered a variety of webinars and other events to ensure that trainees and trainers on the ground were all aware of the multiple consultant report, the new curricula requirements and subsequent changes to the learning agreement. The Intercollegiate Surgical Curriculum Programme website underwent some upgrades and improvements as well; and
- eLogbook and annual review of competence progression data collection to inform discussions between the statutory education bodies, royal colleges and government to highlight the impact of the pandemic on surgery as well as more specifically, surgical training – some of these data are published on the JCST website.

We remained actively engaged with Health Education England, the Academy of Medical Royal Colleges, NHS England, the GMC and the surgical trainee associations to support trainees whose training was affected by the COVID-19 pandemic.

The four surgical royal colleges in the UK and Ireland, and the relevant surgical specialty associations representing cosmetic surgeons, reaffirmed their commitment to delivering the Cosmetic Surgery Certification Scheme by coming together to form the Intercollegiate Cosmetic Surgery Oversight Committee. A new route to certification was launched to encourage established cosmetic surgeons in good standing with their professional association to certify with the scheme and certification was expanded to cover non-invasive procedures. Work continues with the GMC to introduce a GMC-regulated credential in cosmetic surgery.

We remained actively engaged with Health Education England, the Academy of Medical Royal Colleges, NHS England, the GMC and the surgical trainee associations to support trainees whose training was affected by the COVID-19 pandemic. We continue to use our influence to ensure that trainees are able to regain access to training opportunities (particularly

where these take place in the independent sector), and to ensure that no trainees are disadvantaged as a result of their involvement in supporting the NHS and patient care during the pandemic.

Working with our colleagues in the Royal College of Surgeons of Edinburgh, we have set up a bicollegiate project to develop and support the extended surgical team. The first stage of this involves the redevelopment of the surgical care practitioner curriculum, development of a managed voluntary register for surgical care practitioners and work towards achieving regulation via the GMC.

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Supporting dental surgery and the wider dental profession

The Faculty of General Dental Practice (UK) (FGDP) formally separated from the College on 30 July 2021 after a long and fruitful partnership of almost 30 years. During its time with the College, the FGDP succeeded in establishing itself as the professional home for primary care dentistry, and continued to work hard during the course of its final year to serve its members and the wider dental profession while finalising its plans to become a separate entity as the College of General Dentistry. (See note 24.)

2020–21 saw the FGDP supporting the dental profession in its recovery from COVID-19 with its influential guidance on dentists' return to practice, the Dean's blog and associated webinars, and its summaries of other published guidance. Online publishing continued to provide an excellent platform to extend the reach of the FGDP's member journal, Primary Dental Journal, and also its Standards in Dentistry during these unprecedented times.

The FGDP has left three of its current diploma programmes with the College to be run under the expert tutelage of the College's dental surgery faculty. The Faculty of Dental Surgery (FDS) has also been able to offer a home to those FGDP members who wished to remain with the College and were eligible for FDS membership. We are now proud to count a significant number of general dental practitioners among our dental surgery membership and will be working hard to expand our membership offer to suit their needs in the coming year.

Dental surgery's year

COVID-19 has continued to dominate the work of the FDS throughout 2020–21. We have been listening to our members and striving to highlight their concerns, including in regular meetings with senior health officials such as the Chief Dental Officer. We also conducted an all-member survey on the resumption of dental services, published in October 2020. This identified the main challenges that dental professionals have faced during the pandemic, such as the impact that the requirement for dentists to leave 'fallow time' between patients has had on the number of people they can treat. Towards the end of this report year, we ran a follow-up survey to understand how service recovery has progressed since the resumption of routine treatment in summer 2020, the results of which were published in August 2021.

In addition, the Faculty's campaign to tackle child tooth decay continues to be a central focus of its communications work. During the year, the FDS Dean gave a number of national media interviews to discuss the impact that the disruption to dental services has had on children's oral health and the importance of prevention. We are pleased that the government's health and care bill includes provisions that will make it easier to introduce community water fluoridation initiatives as well as new restrictions around junk food advertising, and we continue to press government to implement other policy commitments such as extending the delivery of supervised tooth brushing schemes in England.

The FDS received 700 media mentions during the year to 30 June 2021.

The FDS continues to be a leading provider of dental education nationally and internationally, supporting dentists and other members of the

dental team. Our courses and training programmes range from general professional training for dentists and allied professionals to specialist training and continuing education. We continue to run e-Den, our successful online interactive educational programme developed in collaboration with Health Education England, which now boasts registrations in excess of 46,000.

Recognising the severe challenges facing our members owing to COVID-19, we have been especially proactive in repurposing many of our existing face-to-face courses for online delivery. This has worked well, particularly as several FDS examinations were similarly adapted for online delivery. Membership feedback and the large audiences attracted confirm that our increased digital profile via online delivery of courses and through a suite of webinars has proved most welcome. More recently, we were able run our first virtual careers conference, with more than 200 registrations. The event was launched alongside resources that should prove valuable for younger members yet to decide on a career pathway.

The FDS continues to be a leading provider of dental education nationally and internationally, supporting dentists and other members of the dental team.

Promoting public and professional engagement

Library

A new five-year (2020–2025) strategic plan for the library and archives was approved at the start of the year, with an ambitious set of departmental objectives (focused around the primary themes of access, outreach and engagement) having been set out in the document. This was followed by the development of a dedicated two-year (2021–2023) marketing plan for the library and archives to coincide with the return to the College's new building, and the re-establishment of library and archives services on site.

Changing the face of surgery

The library has continued to provide members with access to a wide range of important electronic resources (e-journals, e-books and online anatomy applications) throughout the year, with usage having increased slightly compared with the previous year. Furthermore, access to all e-resources has been significantly enhanced as a result of the procurement and implementation of a new consolidated library, museums and archives discovery service called Ovid Discovery. This system went live in January 2021 and has resulted in strong online engagement with library, museum and archives collections, with 4,564 searches having been carried out between January and June on the Surgical Library platform, and 4,427 searches carried out on the combined London Metropolitan Archives Heritage Collections platform.

In addition, our library enquiries service continued to run during the year. A total of 517 enquiries were received, which represents an increase of 11.5% on the previous year. The enquiries covered a wide range of topics, from copyright questions to family history enquiries. We also continued to process document delivery requests from fellows and members as well as from other libraries, with 109 requests having been completed during the year. A total of 115 literature searches were conducted for members, which is slightly fewer than last year.

Unfortunately, as a result of staffing changes in the library, we were only able to provide our specialty *Updates* service for the first seven months of the year, with the service having to be temporarily suspended while we recruited and trained new staff. During these 7 months, we issued 37 specialty *Updates* to members. These all received excellent 'open' and 'click through to full text' rates, with the trauma and

orthopaedics *Updates* receiving the highest click through rates.

Library staff have also continued to collaborate with the Royal College of Radiologists on a two-year project to support the development of a large set of referral guidelines.

Over the course of 2020–21, final preparations were put in place for the return of the library and archives collections to the Barry building during the summer of 2021, and for the opening of the new library and the resumption of library services in the Barry building in November 2021. During this period, the library has continued to work closely with our external storage partners to ensure that those collections that we are unable to bring back to the Barry building are retained in optimal long-term off-site storage facilities.

April 2021: Practical completion

9 September 2021: Council, family and friends launch (ceremonial event)

September 2021: The View becomes operational

November 2021: Archive service opens

January 2022: Professional Surgical Centre opens (where learning, educational activities and examinations will take place)

1 September 2021: Option to return to the office for the new normal

October 2021: First Diplomates ceremony and Council meeting held

November 2021: Lumley Library opens

January 2022: The Anatomy and Pathology Centre opens

Early 2023: Hunterian Museum opens

Archives

Our collections continued to be accessible for some of the year, courtesy of an arrangement with the London Metropolitan Archives to temporarily store and provide access to our archives while our building programme is ongoing. However, access was not possible during the COVID-19 lockdown periods owing to the London Metropolitan Archives being closed at these times and access was also limited during the months in between lockdowns. In total, 21 researchers accessed the archives collections and 113 items were viewed by researchers during the 4 months of the year in which the archives were accessible. In addition, during the year, a total of

331 archives enquiries were received and answered by the archives staff. These were from RCS England fellows and members, RCS England staff, academic researchers, the media, genealogists, and other archives and museums.

Several online blog posts have been created and published, as well as other social media posts, aimed at both members and the general public. Moreover, a new digital exhibition, *Depicting Anatomy: The Hunt for Unalloyed Reality*, was launched to showcase images from rare anatomy books held in the library's collection. This received excellent feedback and strong viewing figures.

A number of archives-themed virtual outreach events were also held during the year. These included a talk to Swansea University Medical School students, and a seminar for the general public held in collaboration with the London School of Economics and the London Metropolitan Archives.

Work continued throughout the year on submitting biographies to *Plarr's Lives of the Fellows*, with a total of 9,985 records having been made available online by the end of the year. Plans were put in place to mark the 10,000th *Plarr's Lives* biography later in the year. There were 127,581 visitors to the *Plarr's Lives* website during the course of the year, with 28,797 searches carried out.

Museum collections and services

Museum conservation and learning staff were on furlough during the COVID-19 lockdown periods, and when able to be in the Nuffield building, they packed and prepared objects for the move to the new Barry building and to off-site storage. The museum staff continued to operate a service for research and image provision and licensing until April 2021, when the move of the collections commenced. The move was successfully completed by the end of June. Agreements have been made with the Natural History Museum for longer-term storage for key College collections while high value paintings are stored with the fine art specialist Constantine.

Hunterian Museum

Work continued on the design of the new Hunterian Museum, due to open in early 2023. Development of the interpretation through research, label and panel text writing, and images and audiovisual content collation were the main focus of the curatorial team.

127,581 visitors to the *Plarr's Lives of the Fellows* website over the last year.

£202,000 received in legacy gifts left to the College in the last year.

9,985 records have been made available on the *Plarr's Lives of the Fellows* website over the last year.

Anatomy and Pathology Museum

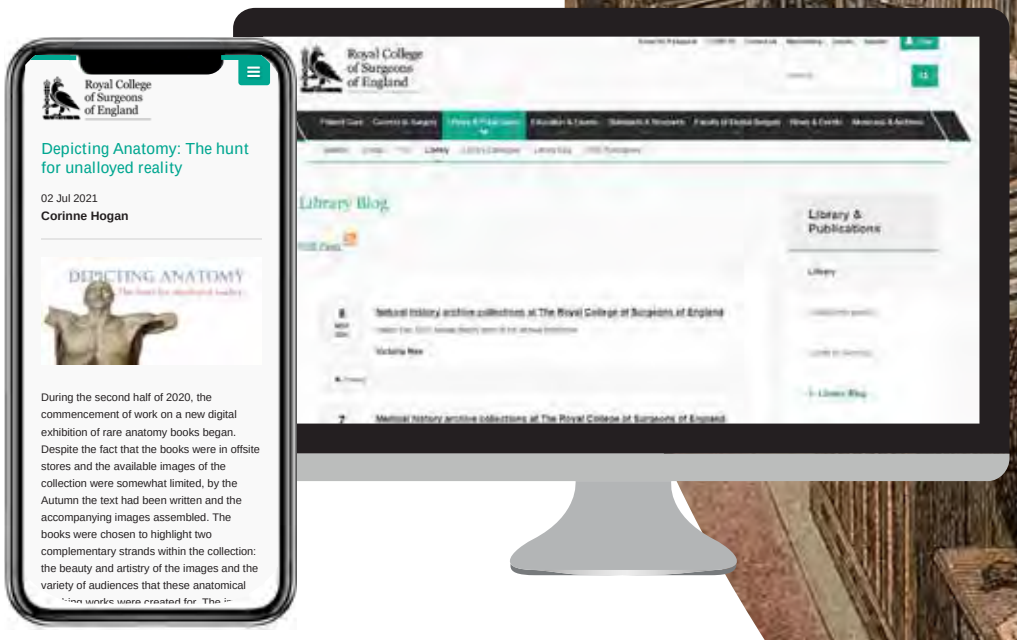
All collections held under Human Tissue Authority licence were moved into stores in the new Barry building while the new Museum of Anatomy and Pathology is being prepared for opening in January 2022.

Fundraising

We receive significant charitable funds every year from our donors and supporters. These funds support an impressive range of projects and activities undertaken in pursuit of our charitable objects. This year, we raised more than £3 million for surgical research, education, and the library, museum and archives, and also for the redevelopment of our headquarters, where targetted appeals to College bodies such as the Court of Examiners have generated a great deal of interest and support. We are very grateful to the members of Council who have championed these appeals as well as to those who have given generous personal donations and all will be appropriately recognised within the College's new building.

The reopening of our building will present fresh opportunities for support and fundraising, particularly from the corporate sector. We are in conversation with several corporate supporters (current, past and new) regarding a 'corporate patrons' scheme. We extend our gratitude to all our donors and supporters, and to those who have remembered us in their wills, with gifts totalling £307,000 this year.

Work continued on the Hunterian Museum, which is due to reopen in *2023*.



Our new home of surgery

Our stunning new headquarters were formally handed over to us following practical completion on 30 April 2021. This has been an immensely challenging year in which to complete such a significant capital development project, and we thank all our partners and our staff on this project, who have worked tirelessly over several years to bring this about (www.rcseng.ac.uk/transform).

Site operations continued uninterrupted throughout the year despite the national lockdown and restrictions put in place as the course of the pandemic unfolded. Our site operations were managed at all times in accordance with COVID-19 government guidance and we would like to thank all site personnel, who worked under difficult circumstances to ensure that construction works were able to be completed.

There remains one final but hugely important phase of the development project to be delivered. This is the base build and fit-out works of the iconic Hunterian Museum. Work commenced in May 2021 on this phase and is expected to be completed by December 2022. We are looking forward to opening the Hunterian Museum to the public early in 2023.

We were pleased to be able to welcome our surgical specialty association colleagues back to the College building in May, as well as some of our own staff, who have been preparing the building and its facilities for the general welcome back of members and staff in September 2021. While the vast majority of staff worked from home throughout 2020–21, we put in place appropriate COVID-secure measures in our buildings to enable safe working for those permitted under government guidance to attend the office.

The building was handed over at the end of April 2021, and the formal opening of the building is scheduled to be held in 2023.

On 30 June 2021, we formally handed over our Nuffield premises to the London School of Economics, with whom we had agreed a long lease in 2017 and from whom we had rented the property to provide interim accommodation during the redevelopment. This handover followed the successful completion of our programme to move operations into our new home and, most importantly, to manage the safe and careful removal of our precious collections into their new location.

The Anatomy and Pathology Study Centre will reopen in January 2022.

Looking ahead

We remain committed to being recognised as a modern, forward-thinking College that both embraces our heritage and reflects a professional approach to our work.

We launched our new strategy in July 2021 at the same time as opening our new building and shortly after the publication of Baroness Helena Kennedy's report on diversity, equity and inclusion (DEI). The coming year will be dominated by the implementation of plans to take forward those pieces of work, with membership, digital and DEI being the key themes.

The opening of our new building gives us the opportunity to bring back courses and, in due course, exams. We will resume trading through our commercial partner Searcy's after a hiatus of more than four years. The fit-out of the new Hunterian Museum will also get underway, enabling us to welcome back the public in early 2023.

Although receding in the UK, COVID-19 will still impact our work, notably in the provision of international exams. We will continue to work with our sister colleges to find ways to overcome these challenges.

Changing the face of surgery

ACTION PLAN

Dec 2021
SAS messaging audit

Dec 2021
Grassroots organisations report

Jan 2022
Anti-discrimination training for staff and Council members

June 2022
Parents in Surgery report

June 2022
Differential attainment exams report

Dec 2022
Launch refreshed emerging leaders programme

Dec 2022
Launch of Diversity, Equity and Inclusion research fellowships

Dec 2022
Leadership reform report

Dec 2022
Launch of mentoring

Dec 2022
Data collection, monitoring and career tracking

Financial Review

This has been a challenging but also a successful year as we responded to the continuing uncertainty and disruption brought about by the global coronavirus pandemic. We took swift action early on to protect our major revenue streams by putting in measures to ensure continuity of delivery wherever possible, most notably deploying remote assessment for much of our examinations portfolio for the first time. Overseas exams were regrettably disrupted as global travel restrictions hit but this has also provided us with an opportunity to reassess our approach to overseas exam delivery to render it more resilient in future.

Our financial performance has been boosted by a sizeable net gain on our fixed asset investments this year of £10.9m, helping to translate a net expenditure position of £2.65m (2020: £2.25m) into an overall net income position of £8.22m (2020: £177k) and to move total funds managed to £145m.

This is the final year where we carry the property charges associated with temporary accommodation arrangements although these will be replaced in future periods by substantial depreciation charges associated with our redeveloped freehold property. If we discount these, the FRS 102 pension liability and employee benefits adjustments, and the cost of debt, we can see that despite the recent stresses on our underlying activities, we have succeeded in posting an underlying surplus before debt charges of £1.38m, an improvement of £662k on our 2020 operating position. This is set out in the table below.

Underlying position	2021 £000	2020 £000	Change £000
Net income/(expenditure) before investment gains	**(2,645)**	**(2,248)**	**(387)**
Operating lease, freehold and leasehold depreciation	3,018	2,610	408
Loss on disposal of fixed assets	30	-	30
FRS 102 pension liability change	178	136	42
FRS 102 employee short-term benefits accrual change	334	224	110
Debt interest	469	-	469
Underlying net income/(expenditure)	**1,384**	**722**	**662**

£0.56m of this improvement flows from our unrestricted activity, where income has held up well and expenditure has fallen back, helping to deliver a pleasing surplus of just over £2.6m. Overall restricted and endowed income and expenditure levels have remained broadly unchanged from 2020. These results and changes from 2020 are summarised in the table below.

Underlying position	2021 £000	2020 £000	Change £000
Underlying income	26,920	26,713	207
Underlying expenditure	25,536	25,991	(455)
Underlying net income/(expenditure)	**1,384**	**722**	**662**
Net contribution as % of income	5%	3%	
Unrestricted funds	2,637	2,082	555
Restricted and endowed funds	(1,253)	(1,360)	107
Underlying net income/(expenditure) by source of funds	**1,384**	**722**	**662**

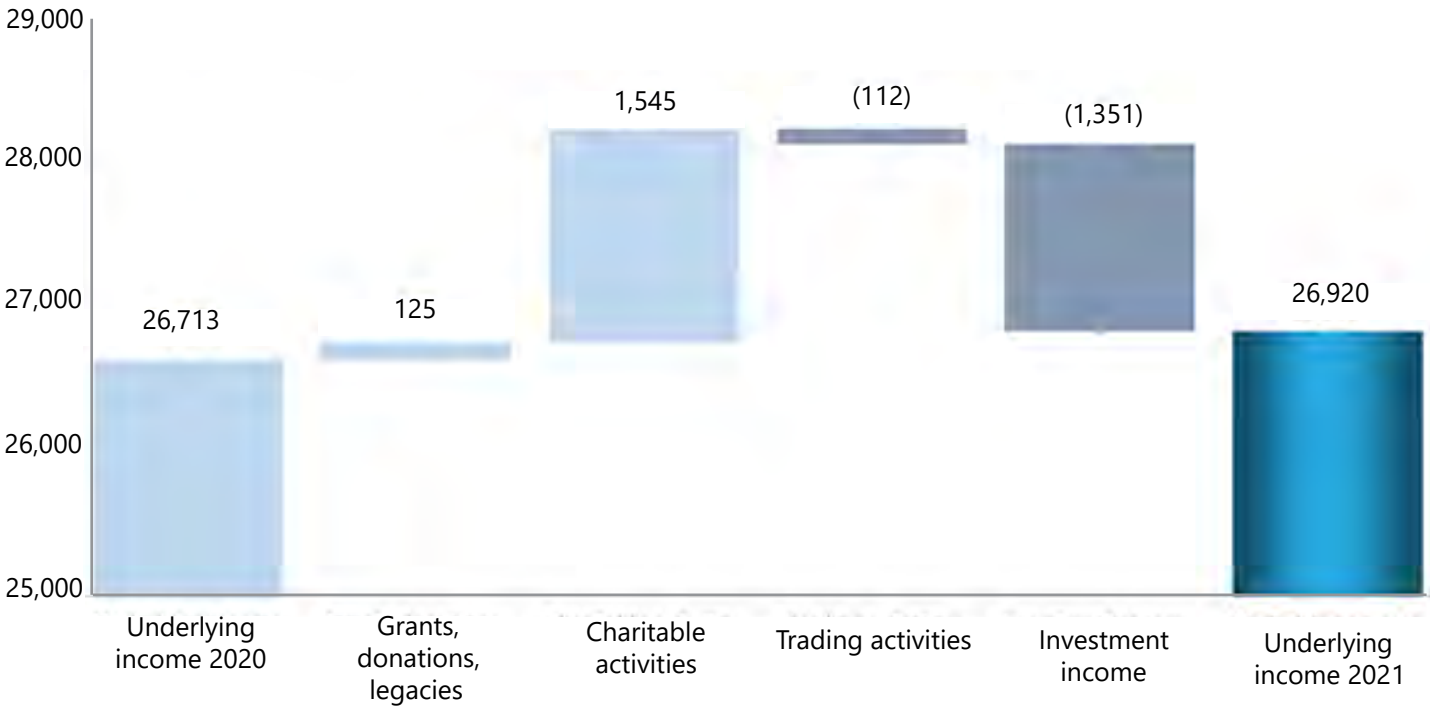
Restricted and endowed activity levels can vary quite significantly from year to year but 2021 saw another year of stable income and expenditure activity, giving rise to a net expenditure position of £1.25m, marginally below 2020.

Unrestricted funds have been the beneficiary this year of a revaluation gain of £3.6m on investment property and together with £1.7m of net unrealised gains on the investment portfolio, these funds have now risen by 4% to £98.6m. Endowed funds have risen by 9% to £41.2m, having also benefitted from a £5.15m gain on the investment portfolio, and despite the 21% increase in funds applied this year. Restricted funds have increased by just under £0.9m to £5.3m, reflecting an increase in income reported but slightly lower expenditure.

Underlying income

Income is up 1% or £207k to £26.92m. We have seen a rise of £1.5m in our charitable activity income but this has been broadly offset by a £1.4m reduction in investment income. Exam fee income has recovered higher, reflecting the revenue security delivered through the move to online assessment, but revenue still remains below 2019 levels. Course fee income fell back slightly again as a combination of social distancing measures and lower delegate demand during the lockdown periods led to some cancelled and postponed activity. Our subscription income has risen 2% on 2020, with trainee subscriptions higher this year and membership fees remaining broadly stable. Overall membership numbers have fallen 3.5% to 27,753. The shift downwards is expected as we start to see a change in our member base with the departure of the FGDP. However, our core surgical membership remains strong with a rise recorded in fellow and member numbers, and looking ahead, we will welcome in the new year a number of former FGDP members into membership of the Faculty of Dental Surgery.

Change in underlying income from 2020



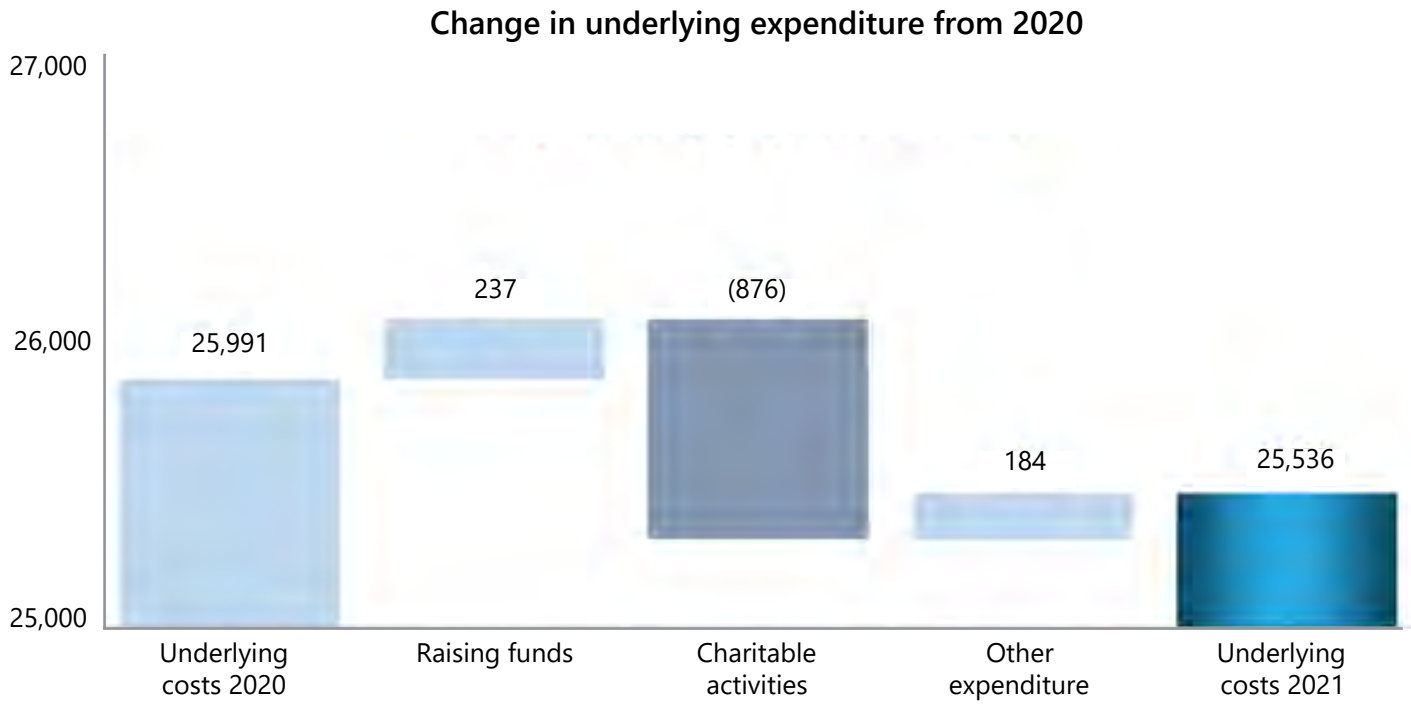
Investment income has fallen sharply this year and now stands at £0.6m (2020: £1.95m). This is expected and is in part a consequence of the move from an income strategy to a total return strategy for the unrestricted investment portfolio and in part a reflection of the longer-term asset allocation strategy being pursued by our investment partners, JP Morgan, which places greater emphasis on capital appreciation.

Overall, grants, donations and legacies remain at 18% as a share of income (2020: 18%), investment income falls from 7% to 2% as a share and charitable activities represent 79% of income this year (2020: 74%).

Underlying expenditure

Underlying expenditure has fallen 2% or £0.45m to £25.5m with unrestricted expenditure 2% down on 2020 at £19.2m. This includes a 4% fall in charitable activity expenditure reflecting a second consecutive year of dampened activity. Underlying expenditure stands 8% down on 2019 pre-pandemic levels. We have reported significantly lower course and exam expenditure under the two dental faculties, reflecting a combination of suspended and reduced activity, as well as some running down of activity ahead of the departure of the Faculty of General Dental Practice (UK). Other areas have remained relatively unchanged as we have continued to deliver across our full range of professional services and engagement programmes.

Much of our programme of professional activity as outlined in the trustees' report is supported by our restricted and endowed funds. Total expenditure against these funds was this year unchanged at £6.3m. Our programme of research and clinical effectiveness projects has delivered £4.9m of activity this year (2020: £4.5m), and 94 research awards were made, up from 79 in 2020, including 1 new three-year research fellowship and 10 new dental fellowships.



Net assets

Net assets have increased by £8.22m to £145.09m. Fixed assets increased by £39.5m with property assets increasing by £26m and investments increasing by £12.7m. These reflect the final capital additions on completion of the freehold property redevelopment and the gain arising from the new investment property in respect of the leasing of the second floor as well as the net unrealised gains on our externally managed investment portfolios. The capital works costs have been financed from the long-term loan of £40m settled in the year. Cash holdings have increased by £7.3m and current liabilities have decreased by £1.4m, helping to improve the current ratio to 1.2 from a negative working capital position in 2020.

Hunter Trading Ltd

Our financial statements consolidate the results and financial position of our wholly owned subsidiary, Hunter Trading Ltd (note 15). The company ceased marketing of conference and residential facilities at the end of 2016–2017 to allow the College to prepare the Nuffield property for accommodation of its operations during the redevelopment. The company has continued to trade throughout this period albeit at a significantly reduced level. The company has delivered a profit of just £2k for this year (2020: £7k). With the opening of the redeveloped freehold property in May 2021 and the vacation of the Nuffield premises completed by 30 June, the next financial year will see the restart of conference trading activity with the launch of The View, our new iconic conference and events venue. The venue and our other hospitality spaces will be run by our catering and events partner, Searcys, a long established independent and highly respected catering company.

Financial outlook

We reached a hugely significant milestone this year with the completion of the redevelopment of our freehold property. Despite the challenges posed by the ongoing coronavirus pandemic, the construction work was able to continue during the course of the year, and as a result of much hard work and determination by all our partners involved in the project, we were successfully granted our practical completion certificate on 30 April. Our staff had also worked hard in difficult circumstances to ensure that we succeeded in bringing our operations back into our new headquarters by the end of the Nuffield lease term and financial year.

We are now looking forward to our first year of activity in our redeveloped building. We will start running a range of courses from our dedicated, state-of-the-art professional surgical centre and exams in our custom-designed examinations suite. We have reopened the doors of our historic library to our members and visitors, and will be making use of our open plan offices and multiple meeting spaces to bring about new opportunities for collaboration and engagement throughout all areas of the College's work.

We secured long-term investment through the £40m private placement issue with Pension Insurance Corporation plc in early November 2020. With the main redevelopment project completed, the loan is providing us with an additional cash buffer in the shorter term to support our operations and initiatives as we emerge from the challenges of this past year of national lockdowns and restricted activity.

The new year has already seen the departure of the Faculty of General Dental Practice (UK). This will give rise to a reduction in our underlying operating surplus in the short term but we have been working for some time on expanding and developing our revenue streams through new commercial ventures and the launch of the

Membership of the Faculty of Dental Surgery (MFDS) examination to replace the joint dental faculty exam (MJDF) as well as through extending our global reach and influence on a financially beneficial basis.

We are committed to delivering continuous improvement and cost efficiency within our operations as part of our package of measures to improve our financial position and to manage ongoing cost pressures such as rising USS and SAUL pension scheme contributions. Our strategy to transform the organisation must be underpinned by strong, resilient finances that provide future investment capacity for our professional and business priorities, and ensure that we meet our repayment obligations that will fall due in five years' time under the private placement.

This past year has seen a difficult and protracted consultation on the funded status of the USS pension scheme between employer representatives and the trustee of the scheme. The 2020 valuation has now been completed (early October 2021) with agreement reached on the measures to fund the technical provisions deficit and importantly, to limit the level of increase to member and employer contributions set previously for 1 October 2021. While the immediate threat of higher unsustainable contribution increases has abated, the financial position of the scheme and the ongoing level of support it seeks from employers is a continuing cause for concern.

The liability we disclose in respect of this scheme has decreased this year but we remain alert to the possibility under the scheme's Monitoring and Action Framework that short-term corrective actions such as higher contributions or accelerated valuations could be taken in the event that the scheme's funded status is affected adversely by market volatility. We continue to monitor the position closely and to support employer representatives in their efforts to keep the cost of pension benefits at an affordable level.

Reserves policy

Our reserves comprise unrestricted funds, and restricted and endowed funds. The restricted and endowed funds result from grants, donations and legacies, which can only be applied for a purpose specified by the donor or grantor and are not available for general purposes. We aim to carry out the activities and projects supported by these funds on a timely basis in accordance with the purposes and conditions specified. Restricted and endowed funds total £46.5m at 30 June 2021 (notes 17 and 18).

The unrestricted funds represent the accumulated surpluses generated from general business activities and are funds that are available for use at the discretion of the trustees. They comprise the fixed assets fund, designated funds and general funds.

Fixed assets fund

The fixed assets fund comprises the funds invested in fixed assets that the trustees consider essential in enabling the College to effectively implement its operational strategy. The fund represents the net book value of unrestricted tangible and intangible fixed assets, and is net of associated long-term loan funding. We held £68.8m in the fixed assets fund at 30 June 2021 (2020: £77.85m). The fund includes now only £1.66m of assets in the course of construction in respect of the ongoing works to build and fit out our new Hunterian Museum.

Designated funds

Designated funds are funds that the trustees have earmarked for specific purposes. Since 2014 and prior to this year, a total of £72.8m of general funds had been designated to be held for specific purposes, with £70.7m of funds set aside for the redevelopment of our London premises, and £2m of funds earmarked to support the digital and IT transformation agenda. £72.6m of these funds had been expended as at 30 June 2020 and only £0.22m of designated funds remained in respect of digital transformation. These funds have now been fully expended at 30 June 2021. A further £1.5m has now been designated to support the next phase of digital transformation and new systems investment.

General funds

In accordance with Charity Commission guidance, the trustees set a target range for the level of free reserves, or general funds, that the College should maintain to ensure its financial security and funding of its business plan. Free reserves or general funds are defined as total unrestricted funds less fixed assets and designated funds. The trustees determine that a prudent target range for the College's free reserves is between 75% and 100% (ie between 9 months and 12 months) of gross annual unrestricted operational expenditure. This equates to a target range of £17.5m to £23.3m for 2020–21.

This range is set taking into account:

- the risk of fluctuating income and expenditure levels;
- the risk of an unexpected need for funds;
- the need to provide working capital for the College's current operational and future development activities;
- the need to meet its annual obligations under the long-term loan arrangement put in place in 2020;
- funding shortfalls in the USS and SAUL defined benefit pension schemes, and future increases in employer contributions to eliminate these shortfalls.

General funds stand at £26.3m at 30 June 2021. This is a rise of almost £8m or 44% on the prior year (2020: £18.3m). This represents 113% (2020: 81%) of unrestricted operating expenditure and therefore stands above the maximum of the target range. An allocation is made from general funds to provide for the pension liability, which represents the discounted value of the deficit funding contributions. This does not imply a significant constraint over the use of reserves for the foreseeable future other than to ensure monthly contributions are met and budgeted for accordingly. The general reserves have increased largely as a result of the long-term loan settlement that is now in place and that has financed the remaining capital works and also replenished the general reserves for the £4.7m of construction costs accrued in the prior year. A further £1.5m of general funds has been designated for the delivery of the digital transformation agenda.

We continue to take a prudent view in terms of our projected operating surpluses over the next 24 months, and given the uncertainties that still remain from the global pandemic and the wider economy. We remain steadfast in the pursuit of our longer-term objectives of financial sustainability so that we not only meet our future annual debt obligations but also ensure that we maintain an appropriate level of free reserves to enable the College to withstand future unexpected events as well as delivering on our priorities.

Fundraising

The College aims to raise funds in accordance with best practice, and in an open, legal and fair manner. We have effective systems in place to monitor and maintain these standards, and to ensure communications with supporters are undertaken in a considered and balanced manner.

We are registered with the Fundraising Regulator and undertake our fundraising activities with reference to the Code of Fundraising Practice. We review each year our data protection processes to ensure full compliance with the General Data Processing Regulation (2018). We do not engage commercial partners or volunteers to raise funds on our behalf. If complaints and concerns are raised, these are taken seriously, responded to promptly and handled in accordance with the College's complaints procedures, which are available on our website. We did not receive any complaints in respect of our fundraising activity this year (2020: nil).

Investment policy

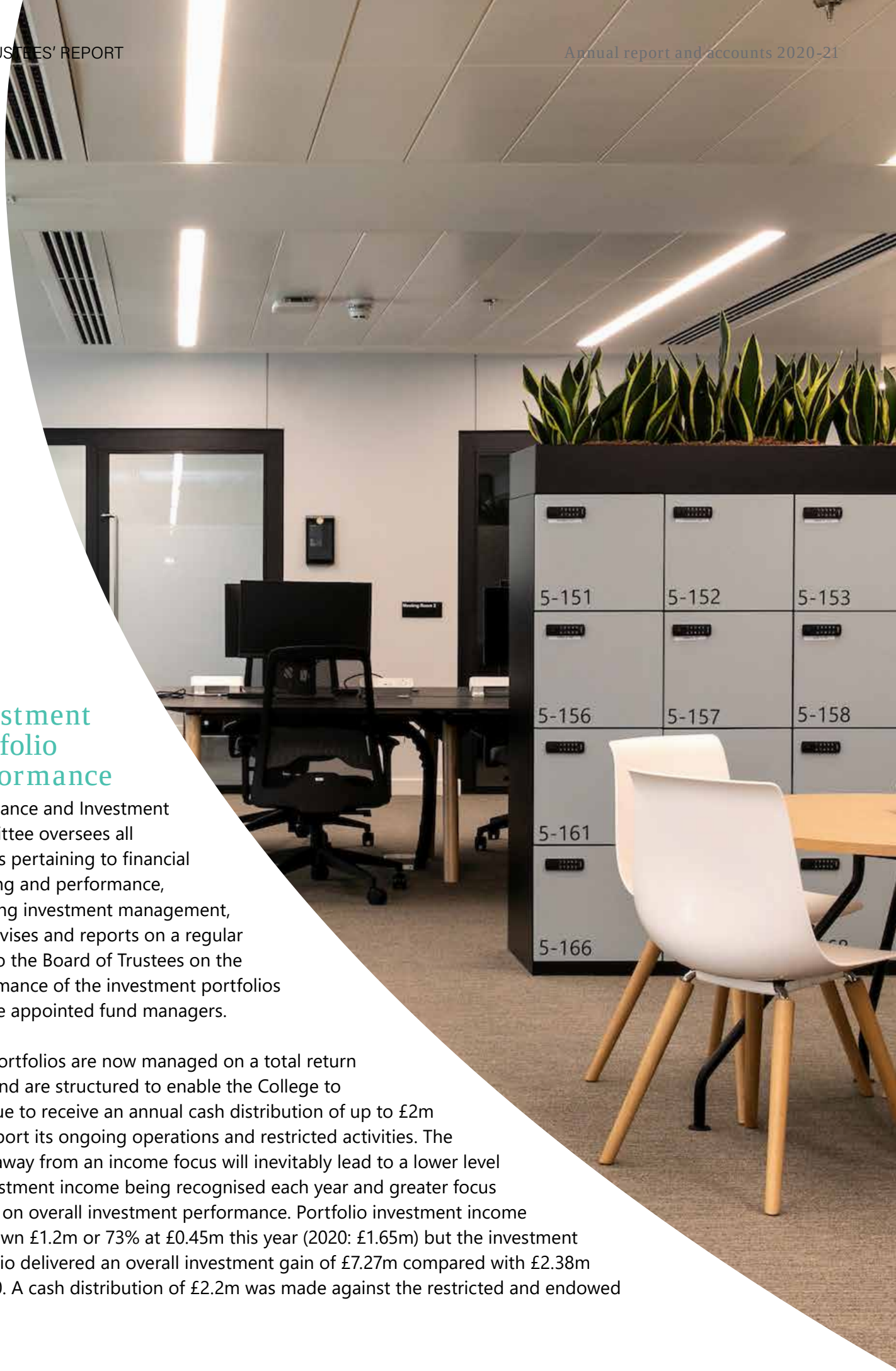
We invest for the long term, and we invest to generate the best overall returns from our unrestricted and endowed funds in order to support both ongoing operational activity and activity undertaken in line with the specific purposes of the endowed funds. We seek to achieve this through diversified risk-controlled investment. We have adopted a total return strategy for all of our invested funds, and a more global and broader asset allocation strategy in order to ensure that we continue to achieve the best returns going forwards in what is a changing investment landscape.

Both portfolios are expected to deliver a minimum total return of CPI plus 4% and to provide sufficient cash to support relevant annual expenditure commitments. We are now in the second year of our investment partnership with JP Morgan, and they have continued to take action during the year to pivot the portfolios increasingly towards our long-term asset investment strategy reflecting greater geographical and asset class diversification.

Climate change has been a constant and major topic of discussion and concern this year as we head towards the 26th UN Climate Change Conference (COP26) to be held in November 2021 in Glasgow. We have issued a statement on ethical investing that sets out our clear commitment to sustainable and responsible investing, and that strengthens our commitment to divesting from fossil fuels. We now seek to divest from all exposure in fossil fuels by 2030, and will build up our investments in green energy renewables and infrastructure in support of the green economy. This statement has the full support of our Council members, whom we thank for their engagement and insightful contributions to the discussions held during the year as we formulated our position.

We have adopted an environmental, social and governance (ESG) integrated investment model in order to deliver on our ethical investment commitments. Our investment approach excludes direct investment in fossil fuels, tobacco, alcohol, and controversial and conventional weapons, and we aim to minimise our levels of indirect exposure to these sectors through regular ethical screening and careful selection of fund managers with strong ESG credentials. We consider that our ESG-focused investment approach will enable us to meet our long-term return profile and will therefore provide the funds to support our professional and operational objectives.

Short-term cash not required to support general operations is placed on short-term fixed term deposits with approved investment managers.



Investment portfolio performance

The Finance and Investment Committee oversees all matters pertaining to financial planning and performance, including investment management, and advises and reports on a regular basis to the Board of Trustees on the performance of the investment portfolios and the appointed fund managers.

Both portfolios are now managed on a total return basis and are structured to enable the College to continue to receive an annual cash distribution of up to £2m to support its ongoing operations and restricted activities. The move away from an income focus will inevitably lead to a lower level of investment income being recognised each year and greater focus placed on overall investment performance. Portfolio investment income was down £1.2m or 73% at £0.45m this year (2020: £1.65m) but the investment portfolio delivered an overall investment gain of £7.27m compared with £2.38m in 2020. A cash distribution of £2.2m was made against the restricted and endowed

portfolio at the end of the year in order to replenish operating cash balances for endowed fund expenditure and this led to a final return net of fees of 7.8% for the year (2020: 4%). The net return before divestment was 11.3%, a very strong performance during a year of volatile market conditions.

Total return accounting

The College adopted total return accounting for its permanently endowed funds in 2014–2015. A base date of 24 June 1992 was approved for determining the permanent capital value of the endowed funds, based on the market value of the permanent endowments at that date, plus the original value of any subsequent additions. The value of these investments was frozen and classified as frozen permanent capital, and the remaining value of the investments was classified as unapplied total return.

We seek to preserve the value of the endowments in real terms over the medium to long term. A target spending rate of between 3.5% and 4.5% of the value of the endowments is considered achievable without diminishing the value of the portfolio in real terms, and represents our best estimate of the long-term real rate of return on the endowments. This target range is kept under review to ensure that it remains appropriate.

A total of £1.82m was applied in the year and together with investment management fees of £264k, the total applied from the endowed funds was £2.1m. This represents an application of 5.5% in the year, which is a full 1% above the top of the target rate range. The cumulative total applied since the adoption of total return accounting is now just below the cumulative maximum target level for this same period and we will continue to need a strong investment performance going forwards to meet spending plans at current rates.

Key management personnel

Key management personnel are defined as members of the executive team and directors as set out on page 53 of the trustees' report.

The Remuneration and Nominations Committee oversees matters relating to structure, composition and effectiveness of the Board of Trustees, and provides assurance to the Board that the College has an effective strategy to deliver an effective and high performing workforce. The Committee oversees issues relating to the remuneration of staff with specific responsibility for making recommendations to the Board regarding overall remuneration policy, including approving salaries and conditions of service at director level and above. The Committee receives recommendations from the Head of Human Resources based on a detailed market review benchmarked to similar organisations carried out biannually as well as through the annual performance appraisal process. Based on this advice, the Committee makes recommendations to the Board of Trustees on the remuneration and benefits of the Chief Executive and other senior postholders.

Details of remuneration for the year ended 30 June 2021 are set out in note 8 of the financial statements.

Risk management

The Board of Trustees views robust risk management and control as fundamental to support the College in defining and achieving its strategic objectives. the College operates a 'three lines of defence' model, has a separate risk and compliance function, and an independent internal audit. All risks have a clear owner, and are managed, mitigated and reported.

The Board is ultimately responsible for the management and control of the College's risks, and sets the College's risk appetite. The Board has overall responsibility for ensuring that we have appropriate and adequate risk management processes in place to support the delivery of our strategic plans. Trustees regularly review and assess risks across all areas of the College's activities.

The Audit and Risk Committee is responsible for advising the Board of Trustees on statutory financial reporting, and for overseeing and reviewing the systems of financial governance and risk management. These systems are designed to manage rather than eliminate risk and provide reasonable assurance that mitigating actions are adequate. Trustees have delegated elements of the risk management process to the Audit and Risk Committee, staff members and professional advisors. The Audit and Risk Committee is responsible for the appointment of the internal auditor and external auditor.

During this year, the Audit and Risk Committee has overseen a review and refresh of the College's approach to risk management. The Board of Trustees has put in place a robust framework consisting of our new risk management policy, our risk appetite statement, and departmental and corporate risk registers.

Council is responsible for all substantive matters relating to the professional and public policy in terms of the mission and strategic aims of the College and those that support the College's members. Council delegates some of its powers and functions to subcommittees and other groups. Risks are reported to the Board of Trustees through the Audit and Risk Committee.

The Chief Executive, supported by the wider executive directors team, is responsible for ensuring that risk management procedures are in place, that departmental and project risk registers are regularly reviewed, and that key risks and risk movement are reported appropriately. Every member of staff is responsible for managing risk as part of their daily role.

The COVID-19 crisis brought considerable risks and uncertainty. Trustees, supported by Council, ensure continued oversight of the College's response in order to ensure that we remain financially strong, support our people/staff and continue to support our members, who have been at the forefront of the response to the pandemic. The executive team developed a revised short-term strategy following extensive Council and staff consultation, allowing the College to be agile in its response to the pandemic while developing a revised five-year strategy.

The short-term strategy was supported by an annual operational plan with progress reported regularly to the Board of Trustees. Our short-term priorities were to:

- undertake an urgent review of the the College business model in light of the COVID-19 crisis and its impact on existing income streams;
- focus policy around key priorities;
- complete the new building development;
- continue to deliver professional activities and to develop long-term resilience;
- continue to improve the membership offer;
- deliver strong financial management and improved IT systems;
- develop stronger Faculties;
- maintain an efficient, effective, skilled, motivated and diverse workforce.

We have identified what we consider to be the key risks and challenges for the College during this period, and these are summarised in the table below.

Risk	Mitigation
Global pandemic – that the College suffers a major loss of income (both in the UK and overseas), delays to projects and impacts on wellbeing of staff during ongoing period of lockdowns as a result of COVID-19	• The College's business continuity plan was tested during COVID-19 and individual plans were adjusted for each department's circumstances. Technology allowed the majority of staff to work remotely. Our focus remains on staff wellbeing and support. • Development of more flexible ways of working, including all RCS England meetings via Microsoft Teams • Use of technology has allowed the College to continue to offer strong membership support including online seminars and events. • Successful delivery of some exams remotely (including MRCS part A)
Financial resilience – reduction in income from various income streams across the College due to COVID-19 Safeguarding the charity's assets	• A long-term strategic financial planning model was developed to provide a forward view of the operating position, cash flow and reserves, and early identification of performance pressures and options to redress position. • Trustees approved a revised financial plan and budget to ensure the College remains financially strong and is able to continue to meet the needs of our members during the pandemic. • Reforecasts have been discussed regularly in detail at Finance and Investment Committee meetings. • Private placement concluded in September 2020 • Close working with investment managers to ensure investment income is protected as far as possible from volatility of stock market

Risk	Mitigation
Organisational and building transformation	• The plan to redevelop our estate formed a central plank of the transformation programme. The strategic, financial and operational risks were subject to rigorous oversight and planning. Risks were identified and mitigated to ensure an operationally efficient, technologically smart and financially sustainable organisation. • The plan for the building transformation programme identified all necessary tasks and dependencies for delivery. This was closely reviewed and progress was monitored by trustees, the Audit and Risk Committee, and the Finance and Investment Committee. • The risks arising from the impact of COVID-19 on the building construction were closely monitored and mitigated, and while there were some delays, the project was brought to successful conclusion. • Effective professional support was identified to ensure optimum value is delivered for the College, our membership and our external stakeholders.
Meeting regulatory obligations	• Detailed departmental risk register identifying risks and mitigations, managed by information governance manager • Mandatory e-learning training course (information security and data protection) must be passed by all staff annually. • Raising awareness of the General Data Protection Regulation to ensure that staff are familiar with policies and guidance, and that the data protection officer is a point of contact for advice • The Information Governance Steering Group was refreshed. Reporting to the executive directors team, it ensures regulatory requirements are reviewed regularly and implemented operationally.
Separation of RCS England's Faculty of General Dental Practice (UK) to establish the College of General Dentistry	• The College managed the process well, putting governance and strong project management in place. • The separation was completed successfully on 30 July 2021.
The continuing impact of COVID-19 on staff	• Regular communication with staff • A full review of terms and conditions has been undertaken, introducing a more flexible approach to working and improvements. • Organisational diagnosis undertaken by external consultancy • Introduction of mental health first aiders.

A number of emerging risks were identified and informed the development of the College's new five-year strategy.

A clear and focused strategy

Our new five-year strategy (2021–26), Changing the Face of Surgery, sets out our vision of excellent surgical care for everyone and we aim to achieve this by enabling our diverse members to deliver excellence in everything they do. Throughout implementation, we will ensure focus on the risks that may affect our ability to deliver our strategic aims, including continued pressures on the NHS and regulatory changes. Our strong governance and engagement framework will also help to ensure we are able to respond to and manage any risks to our strategic objectives.

Digital capability

We are investing to ensure that our IT transformation is fit for purpose, and that it supports the College's strategy and future growth plans. This includes a new customer relationship management system and a new website to enable optimum user experience. Our digital capability will underpin the wider College strategy and allow us to meet our strategic objectives, ensuring our members are able to engage with us easily.

Diversity and Inclusion

The College commissioned an independent review on diversity and inclusion, led by Baroness Helena Kennedy QC. This is a key element of our strategy, which focuses on promoting diversity, inclusion and fairness both within the College and across the surgical and dental profession, embracing difference and ensuring that our profession and the College remain at the forefront of patient care.

Continued impact of the COVID-19 pandemic

The coronavirus pandemic and the possibility of a further wave in the coming winter presents significant risk, especially in terms of our ability to run examinations and courses under these circumstances. We have already taken action to deliver some of our exams online, and we are actively looking at further online delivery for other exams and courses. Other revenues, such as membership fees, are recognised as being more resilient, with our webinars, policy and press communications, and wellbeing initiatives providing important support for our fellows and members.

Going concern

The College has been reasonably successful at managing the inevitable disruption to its professional and business activities caused by the global pandemic and the resulting national lockdowns and travel restrictions endured over the past 18 months. As we emerge from this period of uncertainty and begin to build up our activities again, we do so mindful of the potential for further disruption in the coming winter months and therefore of the continuing financial uncertainty. The College has undertaken a robust review of its financial position and its financial resilience in the face of future disrupted revenues and activities for the period up to 30 June 2023.

We prepare our annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to our revenue streams before the plan is finalised and approved. This next year will be the first year of operation without the FGDP. While we will see a reduction in our overall revenues and loss of contribution as a result of the FGDP's departure, we are also anticipating some compensating growth in our revenues as we rebuild our core examinations and courses offers, making use of our brand new onsite course and exam facilities, and welcome a pleasing number of former FGDP members fully into our College membership.

The trustees consider that our primary revenue streams remain broadly resilient, that demand is reasonably stable and that we can continue to deliver the majority of our revenue-generating activities in this continuing climate of uncertainty. Our membership revenues have also held up well. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to manage and minimise any adverse impact on its financial position.

We have updated our long-term revenue and cash projections for our latest results and annual plan, reflecting a phased recovery in the operating position over the next 18–24 months. With £40m of long-term financing secured in November 2020, the College has been able to complete the redevelopment of its freehold property on time and has sufficient cash reserves to conclude the remaining capital works in respect of the Hunterian Museum as well as to support its general operations over the next 18–24 months. The projections set out the minimum long-term operating surplus target that the College must achieve in order

Changing the face of surgery

to meet its interest and repayment obligations in the medium to longer term. The projections have also been stress-tested. Management will continue to drive forwards its transformation agenda and development of a new business model that will deliver longer-term financial sustainability.

The trustees are satisfied that the College is in a position to successfully manage its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and therefore support the going concern basis in preparing the annual accounts.

Corporate trustee responsibilities

The College is a corporate trustee of the Colledge Family Memorial Fellowship Trust. This trust holds investments and assets in its own name, and its activities are entirely separate from those of the College.

Colledge Family Memorial Fellowship Trust

The College is one of three trustees of the Colledge Family Memorial Fellowship Trust, which was set up to award travelling fellowships to surgeons. The other trustees of this fund are Mr T George and Professor A Narula. We provide a number of services to the trust, namely the preparation of annual accounts, the submission of these and the annual return to the Charity Commission, and liaison with the investment fund managers, Cazenove Capital Management, to ensure that the funds are invested in accordance with the wishes of the trustees. The trust's financial statements are audited by Crowe U.K. LLP.

The value of the Colledge Family Memorial Fellowship Trust endowed fund at 30 June 2021 was £2.7m (2020: £2.3m) and its restricted fund was £28k (£2020: £70k).

Other trustee responsibilities

Sir Ratanji Dalal Research Scholarship Fund

Our President is one of two trustees of the Sir Ratanji Dalal Research Scholarship Fund, the other being the President of the Royal College of Physicians. We provide administrative and accounting services to the fund and its trustees, preparing the annual accounts and annual return for submission to the Charity Commission.

The value of the Sir Ratanji Dalal Research Scholarship endowed fund was £0.7m at 30 June 2021 (2020: £0.6m) and its restricted fund was £114k (2020: £91k). The financial statements are audited by Crowe UK LLP.

Funding Partnerships

As a registered charity (charity number: 212808), the College relies on charitable support to underpin our work in advancing surgical standards through education, research and training.

We are grateful to our many supporters, whose donations and encouragement are crucial as the demands on our limited resources become ever greater. We would like, in particular, to acknowledge the following charitable trusts, foundations, companies and individuals.

Foundations, charitable trusts, associations and individuals

Association of Coloproctology of Great Britain and Ireland	Lollipop Foundation
Association of Upper Gastrointestinal Surgeons	Mary Kinross Charitable Trust
Barrow Foundation UK	Masonic Charitable Foundation
Blond McIndoe Research Foundation	McIndoe's Guinea Pigs Memorial Trust
Bowel Cancer UK	Miss Leela Kapila OBE FRCS
Bowel Disease Research Foundation	Mr Bernard M D L Cazelnove TD
Brain Research UK	Mr Bjorn Saven
British Association of Plastic, Reconstructive and Aesthetic Surgeons	Mr Leon J Grant
British Association of Paediatric Surgeons	Mr Mark Glatman
British Association of Urological Surgeons	Mr Paul E O'Flynn FRCS
British Orthopaedic Association	Mr Paul W S Muller FRCS
British Society for Surgery of the Hand	National Joint Registry
Brock Webb Trust	Pancreatic Cancer Research Fund
Bryan Guinness Charitable Trust	Pancreatic Cancer UK
Cadogan Charity	Provincial Grand Chapter of Devonshire
Circulation Foundation	Provincial Grand Chapter of Essex
Edwin George Robinson Charitable Trust	Rockcliffe Charitable Trust
ENT UK	Rosetrees Charitable Trust
Frances and Augustus Newman Foundation	Shears Foundation
Freemasons Fund for Surgical Research	Sir John Fisher Foundation
G M Morrison Charitable Trust	Society of British Neurological Surgeons
George Drexler Foundation	Society for Cardiothoracic Surgery in Great Britain and Ireland
Gilbert & Eileen Edgar Foundation	SPARKS (Great Ormond Street Hospital)
Golden Bottle Trust	St Jude's Charity
Health Education England	Swann-Morton Foundation
Heartbrun Cancer UK	Vascular Surgical Society of Great Britain & Ireland
Huggard Charitable Trust	Westminster Foundation for Research into Intestinal Disease
Ileostomy & Internal Pouch Association	Worshipful Company of Barbers
Joseph Strong Frazer Trust	Worshipful Company of Needlemakers
Hon Society of Knights of the Round Table	Wyndham Charitable Trust
Linder Foundation	

Corporate Support

B Braun Medical	Molnlycke Health Care
Chase De Vere Medical	Rocialle Healthcare
Edwards Lifesciences	Smith and Nephew Healthcare
Eido Healthcare	Stryker Corporation
Ethicon UK	TruCorp Ltd
Karl Storz Endoscopy (UK)	Zimmer Biomet
Limbs and Things	

Endowed and Restricted Funds

Alban Barros D'Sa Scholarship Fund	Henry Lumley Charitable Trust
Arthritis Research Trust Fund	Margaret Witt Scholarship Fund
Blond McIndoe Fund	Philip and Lydia Cutner Fund
Doctor Shapurjui H Modi Memorial ENT Fund	Preiskel Family Fund
Fellows Fellowship Fund	Sorab (Soli) Jamshed Lam Research Fund
Harold Bridges Bequest	Vandervell Research Fund

Legacies

The late Sir P A Bramley for the Faculty of Dental Surgery	The late Mr A G Neville for general charitable purposes
The late Ms S E Dodd-Sheppard for surgical research	The late Ms V Openshaw for cancer research
The late J E Eastley for general charitable purposes	The late Mr T R Peacock for general charitable purposes
The late Dr H P L Falla for surgical research	The late Mrs J B Proffitt for general charitable purposes
The late Miss P A George for education and training	The late Mrs E Rashleigh for research into heart disease
The late Mr D P Goodwin for general charitable purposes	The late Mr E S Roberts for research into crohn's disease
The late Ms M Hayes for surgical research	The late Ms D Whittington for general charitable purposes
The late Mr R J Luck for education and training	The late Mr B T Williams for Project Transform
The late Mr A R Mowlem for general charitable purposes	

Structure, governance and management

Charter

The Royal College of Surgeons of England was established by Royal Charter in 1800 to promote and encourage the study and practice of the art and science of surgery. Its earlier history lies in the records of the City Companies of Surgeons and Barber Surgeons. The affairs of the College are regulated by its founding and subsequent charters and ordinances. The most recent of these charters was granted in April 2015 and the one prior to that in March 1992. The College is a charity, with the registered number 212808.

Constituent parts

For administrative purposes, the College comprises the Commonalty of Surgeons, the Faculty of Dental Surgery (FDS) and the Faculty of General Dental Practice (UK) (FGDP). The FGDP separated from the College on 30 July 2021.

Trustees

The Board of Trustees, which came into effect with our new charter in April 2015, comprises the College Officers, the Deans of the dental faculties, three elected trustees (elected by and from Council) and four lay trustees appointed by the Board.

Officers

President	Professor N Mortensen (from 9 July 2020)
	Professor D Alderson (to 9 July 2020)
Vice-Presidents	Mr T Goodacre (from 9 July 2020)
	Mr T Mitchell (from 9 July 2020)
	Miss F Myint (from 8 July 2020)
	Professor C Shearman (to 8 July 2020)
	Miss S Hill (to 9 July 2021)
	Professor N Mortensen (to 9 July 2020)

Deans of the Faculties

FDS Dean	Mr M Garrett
FGDP Dean	Mr I Mills (to 25 June 2021)
	Dr A Pal (from 25 June 2021 to 30 July 2021)

Elected Trustees	Lay Trustees
Professor P Friend (from 8 July 2021)	Mr P Davé
Miss R Hargest (from 8 July 2021)	Lord Amyas Morse
Miss V Lees (from 8 July 2021)	Mr R Greig (from 23 July 2020)
Mr J Abercrombie (to 8 July 2021)	Mr M Hussey (to 1 July 2021)
Mr P Kay (to 8 July 2021)	Mr D Whitney (to 2 July 2020)
Miss F Myint (to 8 July 2021)	Mr Simon Davis (from 1 October 2021)

Members of Council

Council consists of 24 elected surgical fellows, 10 appointed surgical specialty association members and 2 dental surgery fellows elected by the Board of the Faculty of Dental Surgery. Surgical Council members are elected by postal ballot by fellows and members of the College. Specialty association members are appointed by a transparent and democratic procedure that has been determined by their appointing surgical specialty association and approved by Council. In addition, during the year, a number of invited members representing specific interests attended Council meetings.

Elected surgical and dental fellows

Mr J Abercrombie	Miss S Vig
Mr W Alum	Mr A Ahmed (from 9 July 2021)
Professor F Bhatti	Professor P Brennan (from 9 July 2020)
Professor P Friend	Miss R Hargest (from 9 July 2020)
Miss S Hill	Professor I Loftus (from 9 July 2020)
Mr P Kay	Professor F Smith (from 9 July 2020)
Mr R Kerr	Mr L Wijesinghe (from 9 July 2020)
Miss V Lees	Mr C Lavy (from 8 July 2021)
Mr T Mitchell	Miss N Yassin (from 8 July 2021)
Professor N Mortensen	Mr P Lamont (to 8 July 2021)
Miss F Myint	Mrs S McNally (to 8 July 2021)
Mr A Nanu	Professor D Alderson (to 9 July 2020)
Mr P O'Flynn	Mr M Bircher (to 9 July 2020)
Miss V Pegna	Professor N Standfield (to 11 July 2020)
Professor S Porter	Mr T Terry (to 9 July 2020)
Professor T Rockall	

Surgical specialty association members

Mr S Dover	Mr N Phillips
Mr J Glass	Professor P Sagar
Mr T Goodacre	Professor J Skinner
Mr S Kendall	Mr P Spraggs
Mr E Nicholls	Professor C Shearman (to 8 July 2021)

Governance

The Board of Trustees has responsibility for the overall direction of the College but delegates all substantive matters relating to professional and public policy to Council, and allows Council to further delegate its powers.

All trustees and Council members are given an induction and ongoing training on their responsibilities and other matters as required.

The trustees are aware of the Charity Governance Code published in 2017, which sets out the principles and recommended practice for good governance within the sector. The trustees are committed to maintaining high standards of governance and are satisfied that the College applies the principles of the code within its current governance arrangements. The College's compliance with the Code will be reviewed on an annual basis.

The committees of the Board of Trustees were:

Committee	Chair
Audit and Risk Committee	Mr P Davé
Finance and Investment Committee	Lord A Morse
Remuneration and Nominations Committee	Mr R Greig (from 2 July 2020)
	Mr D Whitney (to 2 July 2020)

The committees of Council were:

Committee	Chair
Learning & Assessment Committee	
Overall Responsibility	Miss F Myint (from 8 July 2021)
	Mr C Shearman (to 8 July 2021)
Learning	Mr R Kerr (from 8 July 2021)
	Mr T Mitchell (to 8 July 2021)
Dental & Surgcial Examinations	Mr M Garrett (from 8 July 2021)
	Miss F Myint (to 8 July 2021)
Library, Museums & Archives	Miss F Myint
Quality Assurance	Mr A Nanu
Research & Quality Committee	
Overall responsibility	Mr T Goodacre
Research Fellowships and Lectureships	Professor P Friend
Global Affairs Committee	
Overall responsibility	Mr T Goodacre (from 8 July 2021)
	Miss S Hill (to 8 July 2021)
Global Policy and Advocacy	Miss S Hill (from 8 July 2021)
	Mr A Nanu (to 8 July 2021)
Global Surgery Programmes	Miss S Hill (from 8 July 2021)
	Professor V Lees (to 8 July 2021)

Membership Engagement Committee	
Overall Responsiblity	Mr T Mitchell
Annals and Bulletin Editorial	Mr J Glass
Future Surgeons Forum	Mr J Skinner (from 8 July 2021)
Commission on the Future of Surgery	Mr R Kerr
Regional and Devolved Nations	Mr T Mitchell (from 8 July 2021)
	Miss S Hill (to 8 July 2021)
SAS Forum	Ms V Shekar
WinS Forum	Professor F Bhatti (to 10 September 2021)
	Miss T Cuming (from 10 September 2021)
Sustainability in Surgery	Miss S Vig

The Faculty of Dental Surgery reports to Council and forms part of the business of the Board of Trustees. The

Faculty of General Dental Practice (UK) reports to the Board of Trustees. Each faculty has its own committee structure and has a Dean to chair the boards of each of their respective faculties. The results of both dental faculties are included in the College's financial statements.

The Board of Trustees delegates to the Chief Executive responsibility for the day-to-day management of the College and the Chief Executive delegates management of specific functions to executive directors, each of whom is responsible for a portfolio of directorates.

Subscribing fellows and members elect the members of Council and the boards of the two dental faculties.

Fellows and members as at 30 June 2021	2021	2020
Commonality of Surgeons		
UK	13,888	13,517
Overseas	4,855	5,438
Affiliates	2,416	2,518
Total	**21,159**	**21,473**
Faculty of Dental Surgery		
UK	2,620	2,677
Overseas	716	705
Total	**3,336**	**3,382**
Faculty of General Dental Practice (UK)		
UK	1,906	2,225
Overseas	14	24
Affiliates	101	137
Total	**2,021**	**2,386**
Joint Members of FDS and FGDP		
UK	508	501
Overseas	34	32
Total	**542**	**533**
Joint Members of FDS and FGDP (MJDF)		
UK	532	715
Overseas	163	259
Total	**695**	**974**
Total fellows and members		
UK	21,971	22,290
Overseas	5,782	6,458
Total	**27,753**	**28,748**

Management

Principle managers employed during 2020-21

Chief Executive	Mr A Reed
Deputy Chief Executive	Mrs J Weller
Executive Director (Resources)	Ms J Porritt
Executive Director (Learning & Quality)	Mr S Hills
Executive Director (Membership, Marketing, Communications)	Ms L Davies (from 1 September 2021)
Director of Finance	Ms C Hibbs
Director of Dental & Surgical Exams	Mr A Landau
Director of Engagement	Ms L Davies (to 31 August 2021)
Director of Learning	Ms L Goldring
Director of Library and Archives	Mr R Williams
Director of Membership	Ms N Rowe
Director of Museums	Ms D Kemp
Director of Research & Quality Improvement	Mr R Tomlinson (from 10 March 2021)
Head of Research	Mr M Coomer (retired 17 March 2021)
Director of Strategy, Training and Workforce	Ms K Smith
Registrar of the Faculty of Dental Surgery	Ms H Johnstone
Director of the Faculty of General Dental Practice (UK)	Mr S Thornton-Wood (to 30 July 2021)

Statement of trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group, and of their net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and the group will continue to operate.

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions, and disclose with reasonable accuracy at any time the financial position of the charity and the group, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Crowe U.K. LLP has indicated its willingness to be reappointed as the company's auditor for the coming year.

Signed on behalf of the members of the Board of Trustees on 28 October 2021.

Professor N Mortensen
President of Council
Chair of the Board of Trustees

Mr T Mitchell
Vice-President of Council
Member of the Board of Trustees

Independent auditor's report

to the members of The Royal College of Surgeons of England

Opinion

We have audited the financial statements of The Royal College of Surgeons of England ('the charity') and its subsidiaries ('the group') for the year ended 30 June 2021, which comprise the group statement of financial activities, the group and parent charity balance sheets, the group statement of cash flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 30 June 2021, and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained in the annual report, which comprises the information in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 54, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group'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 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 151 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 International Standards on Auditing (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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations, are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities Statement of Recommended Practice (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were the General Data Protection Regulation, taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management, and inspection of regulatory and legal correspondence, if any.

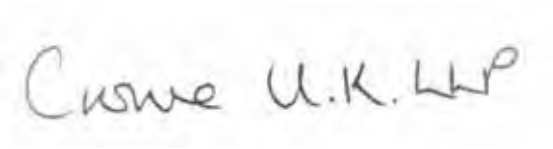
We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, analytical review and sample testing of income, reviewing accounting

estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. 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.



Crowe U.K. LLP
Statutory Auditor
London
12 November 2021

Crowe U.K. 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.

Financial Statements

Consolidated statement of financial activities for the year ended 30 June 2021

	Notes	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Totals £000	2020 £000
Income from						
Grants, donations and legacies	5a	300	4,636	6	**4,942**	**4,817**
Charitable activities	5b	21,158	20	-	**21,178**	**19,633**
Trading activities	5c	127	72	-	**199**	**311**
Investment income0	5d	311	21	269	**601**	**1,952**
Total income		**21,896**	**4,749**	**275**	**26,920**	**26,713**
Expenditure on						
Raising funds	6a	415	249	264	**928**	**691**
Charitable activities	6b	18,845	5,764	-	**24,609**	**25,485**
Other expenditure	6c	4,028	-	-	**4,028**	**2,785**
Total expenditure		**23,288**	**6,013**	**264**	**29,565**	**28,961**
Net income/(expenditure) before investment gains/ (losses)		**(1,392)**	**(1,264)**	**11**	**(2,645)**	**(2,248)**
Net gains/(losses) on investments	11	5,320	392	5,155	**10,867**	**2,425**
Net income/(expenditure)		**3,928**	**(872)**	**5,166**	**8,222**	**177**
Transfer between funds	16, 17	74	(74)	-	-	-
Application of total return	18	-	1,818	(1,818)	-	-
Net movement in funds for the year		**4,002**	**872**	**3,348**	**8,222**	**177**
Balances brought forward at 1 July	19	94,589	4,416	37,864	**136,869**	**136,692**
Balances carried forward at 30 June	**19**	**98, 591**	**5,288**	**41,212**	**145,091**	**136,869**

The notes to the financial statements are on pages 65-102.

Consolidated balance sheet as at 30 June 2021

		2021		2020	
		Group £000	RCS England £000	Group £000	RCS England £000
Fixed assets					
Tangible fixed assets	9	102,947	102,947	76,989	76,989
Intangible fixed assets	9	1,672	1,672	860	860
Investments	11	78,672	78,672	65,968	65,968
Total fixed assets		**183,291**	**183,291**	**143,817**	**143,817**
Current assets					
Stock		68	68	66	66
Debtors	12	7,162	7,164	7,337	7,344
Cash and short-term deposits		13,417	13,417	6,149	6,149
Total current assets		**20,647**	**20,649**	**13,552**	**13,559**
Creditors: amounts falling due within one year	13	(17,208)	(17,210)	(18,646)	(18,653)
Net current assets/(liabilities)		**3,439**	**3,439**	**(5,094)**	**(5,094)**
Long-term liabilities					
Creditors: amounts falling due after more than one year	13	(37)	(37)	(74)	(74)
Defined benefit pension liability	20	(1,602)	(1,602)	(1,780)	(1,780)
Long-term loan	13	(40,000)	(40,000)	-	-
Total long-term liabilities		**(41,639)**	**(41,639)**	**(1,854)**	**(1,854)**
Net assets		**145,091**	**145,091**	**136,869**	**136,869**
Funds					
Fixed asset funds	16	68,820	68,820	77,849	77,849
Other designated funds		1,500	1,500	216216	216
Property revaluation reserve	11	3,599	3,599	-	-
Pension reserve	20	(1,602)	(1,602)	(1,780)	(1,780)
General funds		26,274	26,274	18,304	18,304
Total unrestricted funds	**16**	**98, 591**	**98,591**	**94,589**	**94,589**
Restricted funds	17	5,288	5,288	4,416	4,416
Endowed funds	18	41,212	41,212	37,864	37,864
Total funds		**145,091**	**145,091**	**136,869**	**136,869**

The notes on pages 65 to 102 form part of these financial statements.

The parent charity surplus for the year is £8.22m (2020: £177k).

Approved on behalf of the members of the Board of Trustees and authorised for issue on 28 October 2021.

Professor N Mortensen
President of Council
Chair of the Board of Trustees

Mr T Mitchell
Vice-President of Council
Member of the Board of Trustees

Consolidated cash flow statement as at 30 June 2021

		Total funds	
		2021	2020
		£000	£000
Net cash provided by/(used in) operating activities	**A**	**(2,491)**	**(83)**
Cash flows from investing activities:			
Dividends, interest and rents from investments		601	1,952
Purchase of property, plant and equipment		(33,206)	(39,736)
Proceeds from sale of investments		2,801	5,518
Purchase of investments		(437)	(5,376)
Net cash provided by/(used in) investing activities		**(30,241)**	**(37,642)**
Cash flows from financing activities:			
Net cash provided by/(used in) financing activities		40,000	-
Change in cash and cash equivalents in the reporting period		**7,268**	**(37,725)**
Cash and cash equivalents at the beginning of the reporting period	**B**	6,149	43,874
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	**B**	**13,417**	**6,149**

A. Reconciliation of cash flows from operating activities		
Net income for the reporting period (as per statement of financial activities)	**8,222**	**177**
Adjustments for:		
Depreciation charges	2,205	1,997
(Gains)/losses on investments	(10,867)	(2,425)
Dividends, interest and rents from investments	(601)	(1,952)
Loss/(profit) on sale of fixed assets	30	-
(Increase)/decrease in stocks	(2)	(22)
(Increase)/decrease in debtors	175	(1,600)
Increase/(decrease) in creditors	(1,653)	3,742
Net cash provided by/(used in) operating activities	**(2,491)**	**(83)**

B. Analysis of cash and cash equivalents		
Current and short-term deposits	13,417	6,149
Total cash and cash equivalents	**13,417**	**6,149**

The notes on pages 65 to 102 form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2021

1. Charity information

The Royal College of Surgeons of England was established by Royal Charter in 1800. It is a registered charity in England and Wales (charity number: 212808).

2. Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of listed investments, and in accordance with the Statement of Recommended Practice (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 from 1 January 2015, and the Charities Act 2011. The College constitutes a public benefit entity as defined by FRS 102.

The financial statements consolidate on a line-by-line basis the financial statements of The Royal College of Surgeons of England and of its subsidiary undertaking, Hunter Trading Ltd (company number: 3110552), for the financial year ended 30 June 2021. Inter-group transactions are eliminated on consolidation. Hunter Trading Ltd is a private limited company incorporated in England and Wales.

The financial statements have been prepared on a going concern basis. The College has been reasonably successful at managing the inevitable disruption to its professional and business activities caused by the global pandemic and the resulting national lockdowns and travel restrictions endured over the past 18 months. As we emerge from this period of uncertainty and begin to build up our activities again, we do so mindful of the potential for further disruption in the coming winter months and therefore of the continuing financial uncertainty. The College has undertaken a robust review of its financial position and its financial resilience in the face of future disrupted revenues and activities for the period up to 30 June 2023.

The College prepares its annual budget for the forthcoming year in late spring. This involves a prudent assessment of the potential opportunities and threats to its revenue streams before the plan is finalised and approved. This next year will be the first year of operation without the Faculty of General Dental Practice. While we will see a reduction in our overall revenues and loss of contribution as a result of the FGDP's departure, we are also anticipating some compensating growth in our revenues as we rebuild our core examinations and courses offers, making use of our brand new onsite course and exam facilities, and welcome a pleasing number of former FGDP members fully into our College membership.

The trustees consider that our primary revenue streams remain broadly resilient, that demand is reasonably stable and that we can continue to deliver the majority of our revenue-generating activities in this continuing climate of uncertainty. Our membership revenues have also held up well. The financial position will be regularly reviewed and updated to reflect emerging situations so that the College can take prompt action to

manage and minimise any adverse impact on its financial position.

The College has updated its long-term revenue and cash projections for its latest results and annual plan, reflecting a phased recovery in the operating position over the next 18–24 months. With £40m of long-term financing secured in November 2020, the College has been able to complete the redevelopment of its freehold property on time and has sufficient cash reserves to conclude the remaining capital works in respect of the Hunterian Museum as well as to support its general operations over the next 18–24 months. The projections set out the minimum long-term operating surplus target that the College must achieve in order to meet its interest and repayment obligations in the medium to longer term. The projections have also been stress-tested. Management will continue to drive forwards its transformation agenda and development of a new business model that will deliver longer-term financial sustainability.

The trustees are satisfied that the College is in a position to successfully manage its operational and financial risks. The trustees consider that it is reasonable to expect that the College has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties for the period to 30 June 2023 that call into doubt the ability of the College to continue as a going concern.

3. Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements may require management personnel to make judgements and estimations in the process of applying the College's accounting policies that have a significant effect on the carrying amounts of assets and liabilities in the accounts. The nature of judgement and estimation means that actual outcomes may differ from expectation, and may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

No judgements other than those involving estimations have been made by management personnel in the process of applying the College's accounting policies in the preparation of these statements. Sources of estimation uncertainty may vary from year to year and these are reassessed each year to ensure disclosure remains relevant.

Significant areas of estimation uncertainty in respect of the financial statements to 30 June 2021 are set out below:

- Application of component accounting in respect of fixed asset items with significantly different useful economic lives
- Determination of useful economic lives for fixed asset items
- Apportionment of cost for a mixed use property
- Calculation of defined benefit pension scheme liabilities

3.1 Component accounting

The construction of the redeveloped freehold property was completed on 30 April 2021 and the property was brought into use from this date. The total redevelopment cost has been allocated across the relevant fixed asset classes. Major components in each asset class have been assigned depreciation measures that reflect their significantly different useful economic lives. This has been based on a detailed assessment of the construction contract provided by the capital programme's cost management consultants and discussions with the consultants to agree the principles of allocation in respect of costs not directly linked to physical assets. Management has revised the asset allocation only where required in order to ensure consistency of categorisation and alignment with standard asset accounting categorisations. Other assets in the class are grouped for depreciation purposes and allocated the depreciation measure of the nearest major component asset. Management considers that this approach provides a reasonable basis on which to depreciate all of the assets in each class. (See accounting policy 4.4.1 [Tangible fixed assets].)

3.2 Useful economic lives

The depreciation rates adopted in respect of the major components of each fixed asset class arising from the redevelopment of the freehold property have been based on useful economic lives determined by the capital programme's specialist construction cost management consultants. Depreciation rates in respect of other fixed asset items in operational use are based on a range of factors including warranty periods and average expected replacement cycles as determined by relevant management personnel.

3.3 Apportionment of cost for a mixed use property

The College intends to lease the second floor of its newly redeveloped freehold property to other organisations and the second floor therefore falls within the definition of an investment property. The investment property is measured at cost at initial recognition and is subsequently measured at fair value. The total cost of the freehold property has been apportioned between the net internal area and the gross internal area, and then to each floor on a net internal area basis using the area data from the architect approved floorplans. This provides a cost for the leased second floor that is then transferred from tangible fixed assets to fixed asset investments.

3.4 Defined benefit pension scheme liabilities

The College participates in two multi-employer defined benefit pension schemes where the College is exposed to actuarial risks associated with other participating entities and is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Where these pension schemes are in deficit on a technical provisions basis, in accordance with section 28 of FRS 102 ('Employee benefits'), the College recognises and discloses its share of the liability arising for contributions payable in respect of the deficit recovery agreement in existence at the date of approving the financial statements, and recognises the resulting expense in the statement of financial activities. The College uses a deficit recovery model issued by USS to calculate its share of the liability in respect of the USS pension scheme, making a number of estimations including discount rate, payroll and headcount growth to calculate the changes in the annual liability provision. The estimations are set out in note 20 (Pension liabilities and charges).

4. Principal accounting policies

4.1 Income

Income is recognised when the entitlement is established, there is probability of receipt and the amount can be reliably measured. Income received relating to future accounting periods is deferred and shown as a creditor on the balance sheet.

4.1.1 Course and examination fees are recognised in the financial statements in the period in which the relevant course and examination takes place.
4.1.2 Membership subscription fees are accounted for on an accruals basis.
4.1.3 Grant income (revenue and capital) is accounted for on a receivables basis.
4.1.4 General and specific donations are credited in full in the year of receipt.
4.1.5 Legacy income is recognised when notified, providing the amount is measurable and receipt is probable.
4.1.6 Investment income is credited on a receivables basis.
4.1.7 Other income is accounted for on an accruals basis and recognised in the financial statements to the extent that the contract or service is completed.

4.2 Expenditure

All expenditure is accounted for on an accruals basis, and, with the exception of support costs, is attributed directly to each activity undertaken.

Expenditure in respect of charitable activities is categorised to reflect those areas of activity that support the delivery of the College's strategic priorities.

4.2.1 Employee costs include the net movement in year on the provision for annual leave accrued by employees in respect of services rendered as required by FRS 102.
4.2.2 Support costs are allocated to activities on a basis consistent with the use of these resources: building services costs are charged to departments and faculties based on area occupied; portering and cleaning services, finance, IT and human resources costs are allocated based on the number of full-time equivalent staff.
4.2.3 Governance costs comprise those costs incurred in relation to the overall strategic management of the College and the costs of compliance with statutory requirements, and under FRS 102, these are disclosed as part of support costs and allocated to other professional activities.
4.2.4 Overheads in relation to grant-funded projects are charged, where appropriate, on the basis of their activity.
4.2.5 Grants payable are charged in full in the period in which the recipients are notified of their award.
4.2.6 Fundraising costs comprise the costs incurred in encouraging others to make voluntary contributions to the College and its activities.

4.3 Taxation

The College is a registered charity incorporated by Royal Charter. As such, it is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.

The College's wholly owned subsidiary, Hunter Trading Ltd, is liable to corporation tax but all profits earned on its trading operations are gifted each year to the College.

The College is partially exempt for the purposes of VAT and is only able to reclaim a percentage element of VAT charged on goods and services purchased.

4.4 Tangible and intangible fixed assets

4.4.1 Tangible fixed assets

Freehold land is stated at historic cost. It is not depreciated as it is considered that its value is not impaired by the passage of time and therefore has an unlimited useful life.

Property development projects that are not completed at the year-end are shown as 'assets in the course of construction' and are not depreciated until they are brought into use on practical completion.

In accordance with section 17 of FRS 102 ('Property, plant and equipment'), all fixed asset items are measured at cost at initial recognition. All items of property, plant and equipment are measured after initial recognition using the cost model. Under this model, each fixed asset item is measured at cost less any accumulated depreciation and any accumulated impairment losses. Fixed assets are reviewed for impairment on an annual basis.

The freehold property redevelopment was completed on 30 April 2021. The total cost of redevelopment on practical completion has been allocated to four major asset classes: freehold building, plant and machinery, fixtures and fittings, and infrastructure equipment. The major component assets of each asset class have been identified. These component assets are subject to significantly different patterns of consumption of economic benefits. The useful life of these assets has been determined by construction cost management specialists. The useful lives of each of the major component assets within each asset class have been adopted as the principal component depreciation measures. Other assets that are not identified as major component assets are allocated the useful life of the nearest major component asset as we consider that the useful lives of the major asset components reflect reasonably the varying patterns of consumption of future economic benefits for the entire asset class. All assets are depreciated over their useful lives using the straight-line method and the annual depreciation charge is recognised under 'other expenditure' in the statement of financial activities.

The depreciation measures are set out as follows:

- Freehold property assets are depreciated over component periods of 45, 60, 75 and 80 years.
- Plant and machinery assets are depreciated over component periods of 20, 25 and 40 years.
- Fixture and fittings assets are depreciated over component periods of 15, 20, 25, 30 and 50 years.
- Infrastructure equipment assets are depreciated over component periods of 5, 8 and 15 years.
- Furniture assets are depreciated over component periods of 5 and 10 years.
- Leasehold improvement costs carried out in respect of the Nuffield property in order to provide suitable accommodation for the College staff during its capital development project are capitalised and depreciated over the term of the operating lease.

- Computer and other equipment is depreciated over 4 years.

4.4.2 Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any impairment losses. Software development costs are recognised as an intangible fixed asset where these create an identifiable software asset from which future economic benefit will be derived. Any enhancements to existing software assets that result in additional functionality and therefore enhance the value of the asset to the business are also capitalised. Depreciation is charged so as to allocate the cost of the assets over their estimated useful lives using the straight-line method. The useful economic life of these assets is estimated at four years.

4.5 Fixed asset investments

Fixed asset investments are stated at fair value at the balance sheet date. These investments include cash held by the investment managers intended for investment or held as part of the portfolio.

In accordance with section 16 of FRS 102, investment property is property (land, building and part of a building) held by the College for long-term rental yields and for capital appreciation, and is not used for operational purposes. Investment property is measured at cost at initial recognition and is subsequently measured at fair value.

Valuations are carried out for financial accounting purposes in accordance with *Valuation – Global Standards 2020* of the Royal Institution of Chartered Surveyors. Fair value represents the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction.

Changes in fair value representing the net unrealised gains and losses arising on revaluation are recognised in the statement of financial activities together with the realised gains and losses arising from disposals in the year.

Where part of the freehold property is or is intended to be leased to another entity, then the property is deemed to be mixed use property, and the cost of the property must be separated between property, plant and equipment that is held for operational use under tangible fixed assets, and investment property that represents the area leased to another entity. If the fair value of the investment property component cannot be measured reliably, then the entire property is accounted for as property under tangible fixed assets.

Endowments are accounted for under the total return approach using a base date of 24 June 1992 to determine the permanent capital of each endowment.

4.6 Heritage assets

Heritage assets are books, manuscripts, specimens, objects or other assets that have historic, scientific, artistic, technological, geophysical or environmental qualities, and are held and maintained principally for their contribution to knowledge and culture.

The College's heritage assets comprise mainly the numerous specimens and artefacts collected by John

Hunter in the 1700s and presented to the College in 1799, and leading to the establishment of the Hunterian Museum. The College is by law the proprietor of these specimens, and the Hunterian trustees have a duty to ensure that the College maintains the specimens and does not dispose of them. The College also owns historic books related to surgery and medicine which were bequests in the 19th century; these are preserved and maintained in the library, and are not to be disposed.

The Hunterian Museum and the library closed in June 2017 ahead of the redevelopment of the estate, and the collections were stored in appropriate secure facilities.

No value has been attributed to these heritage assets in the balance sheet on the grounds that the trustees consider there is no reliable method of establishing historic cost information for these artefacts and that the costs of valuation would be disproportionate to the benefit of the resultant information. No heritage assets have been purchased or disposed of by the College in the last five years. The College received some donated heritage assets in this accounting period but none are deemed to have an individual value greater than £1,000.

4.7 Stock

Stock comprises goods produced for resale, including course manuals purchased or printed, and is stated at the lower of cost and net realisable value.

4.8 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, and cash held on readily realisable short-term deposit with Cazenove Capital Management.

4.9 Financial instruments

A financial instrument is broadly defined as a contract that gives rise to a financial asset in one entity and a financial liability in another entity. These financial assets and liabilities are recognised when the College becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are classified according to the substance of the contractual arrangements entered into. The College has financial instruments that fall into the category of basic financial instruments as defined under section 11 of FRS 102. FRS 102 requires disclosure of the measurement bases of these instruments.

Financial assets measured at amortised cost include cash, trade debtors, other debtors and accrued income. Financial assets measured at fair value include investments. Financial liabilities measured at amortised cost include trade creditors, other creditors and accruals.

4.10 Post-employment benefits

The College contributes to four pension schemes on behalf of its employees: the Universities Superannuation Scheme (USS), a multi-employer externally funded hybrid scheme providing defined benefits and defined contribution benefits; the Superannuation Arrangements of the University of London (SAUL), a multi-employer externally funded defined benefit scheme; the NHS Pension Scheme, a statutory unfunded multi-employer defined benefit public sector scheme; and Standard Life, a defined contribution scheme set up for employees in 2014. The USS scheme changed from a defined benefit only scheme to a hybrid pension scheme with effect from 1 October 2016, providing defined benefits (for all members) as well as defined contribution benefits.

The trustees are satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme whereby the participating entities are not under common control, and the schemes represent industry-wide schemes. Where the employer has entered into an agreement with a multi-employer scheme that determines how the employer will fund a scheme's deficit, FRS 102 requires that the employer recognises the liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit), and the resulting expense in the income and expenditure account.

The assets of the USS and SAUL multi-employer schemes are held in separate trustee-administered funds. Given the mutual nature of these schemes, the schemes' assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is thus exposed to actuarial risks associated with other entities' employees, and is unable to identify the College's share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The College is therefore required under section 28 of FRS 102 ('Employee benefits') to account for these schemes as if they were defined contribution schemes. The amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

Formal valuations of USS and SAUL are undertaken every three years by professional qualified and independent actuaries using the projected unit method, in which the actuarial liability for benefits makes allowance for projected increases in earnings. The Pensions Act 2004 introduced a new scheme-specific funding regime, requiring schemes to adopt a statutory funding objective, and ensure that the schemes' assets are sufficient and appropriate to cover their technical provisions.

The College accounts for the NHS Pension Scheme as a defined contribution scheme, and the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. The College contributes also to a defined contribution scheme with Standard Life, and the pension costs charged to the income and expenditure account represent the contributions payable for the accounting period.

4.11 Other provisions for liabilities

Provisions are recognised when the College has a present obligation (legal or constructive) as a result of a past event, it is probable that the College will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised is the best estimate of the consideration required to settle this obligation at the end of the reporting period.

4.12 Operating leases

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

4.13 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the College's general charitable objectives.

Designated funds are unrestricted funds that have been designated by the trustees to be applied for specific purposes in the future.

Fixed assets funds represent the net book value of the unrestricted tangible and intangible fixed assets less any associated debt raised to finance fixed assets, and the trustees consider that these assets are essential to the implementation of the College's operational strategy and that their disposal could have an adverse impact on the College's ability to deliver its aims.

Restricted funds represent donations, legacies or other grants given for specific purposes to be expended in accordance with the terms of the donation, legacy or grant.

Endowed funds represent donations or legacies given to the College, the terms of which stipulate that the original capital cannot be spent. The funds are invested to generate an income and capital growth, which can then be expended in accordance with the purposes stated by the donor.

5. Income

Income from:	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2021 £000	2020 £000
5a. Grants, donations and legacies					
Donations	19	1,464	-	1,483	959
Grants	-	3,152	-	3,152	3,154
Legacies	281	20	6	307	734
Total	**300**	**4,636**	**6**	**4,942**	**4,817**
Major legacies or gifts notified but not included in the financial statements as they do not meet the income recognition criteria of entitlement, probability of receipt and measurement at the balance sheet date amount to £45k (2020: £64k).					
5b. Charitable activities					
Courses	2,820	10	-	2,830	3,230
Examinations	5,558	-	-	5,558	4,720
Subscriptions	9,546	10	-	9,556	9,401
Quality and standards income	962	-	-	962	1,019
Other charitable income	2,272	-	-	2,272	1,263
Total	**21,158**	**20**	**-**	**21,178**	**19,633**
5c. Trading activities					
Income from charitable trading	108	72	-	180	279
Income from taxable trading	19	-	-	19	32
Total	**127**	**72**	**-**	**199**	**311**
5d. Investment income					
Investment property income	148	-	-	148	122
Investment portfolio income	163	21	269	453	1,649
Interest received	-	-	-	-	181
Total	**311**	**21**	**29**	**601**	**1,952**
Income total	**21,896**	**4,749**	**275**	**26,920**	**26,713**

6. Expenditure

Expenditure on:	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2021 £000	2020 £000
6a. Raising funds					
Fundraising costs	308	229	-	537	401
Investment management fees	107	20	264	391	290
Total	**415**	**249**	**264**	**928**	**691**
6b. Charitable activities	1,077	2,121	-	3,198	3,370
Quality and standards	4,455	396	-	4,851	4,748
Career and professional development	1,854	-	-	1,854	1,865
Influence and engagement	4,833	-	-	4,833	4,786
Training and assessing surgeons	2,495	54	-	2,549	2,549
Promoting public and professional engagement	-	3,127	-	3,127	2,784
Research and fellowships (note 7)	1,315	66	-	1,381	2,196
Faculty of Dental Surgery	2,816	-	-	2,816	3,187
Faculty of General Dental Practice (UK)	-	-	-	-	-
Total	**18,845**	**5,764**	**-**	**24,609**	**25,485**
6c. Other expenditure					
Leasehold improvements depreciation	1,274	-	-	1,274	1,266
Nuffield operating lease	1,344	-	-	1,344	1,344
38-43 Lincoln's Inn Fields depreciation	401	-	-	401	-
Disposal of fixed assets	30	-	-	30	-
Interest payable	469	-	-	469	-
Other expenditure	510	-	-	510	175
Total	**4,028**	**-**	**-**	**4,028**	**2,785**
Expenditure total	**23,288**	**6,013**	**264**	**29,565**	**28,961**

Nuffield operating lease

The College entered into a leaseback arrangement to 30 June 2021 following the sale of a long lease over its Nuffield property In 2017. The leaseback represents a rent-free period asset that has been valued using an average market rent for similar space and location. The College occupied the property for the full term of the lease agreement and the rent-free period asset is therefore unwound over this period, representing 45 months in total. The charge for 2020–2021 is £1.3m (2020: £1.3m).

Allocated support costs

Support costs comprise building and facilities services, finance and IT services, human resources and governance costs. These costs are allocated to activities on a basis consistent with the use of these resources. The allocation method and cost of each support service is summarised below.

Governance costs include fees payable to the College's auditors in respect of audit and non-audit services.

Support services	Allocation basis	2021 £000	2020 £000
Building services	Space occupied	682	626
Facilities services	Full-time equivalent staff	922	922
Human resources	Full-time equivalent staff	303	393
Finance services	Full-time equivalent staff	1,400	1,372
IT services	Full-time equivalent staff	2,381	2,109
Governance costs	Other professional activities	531	564
Total support costs		**6,219**	**5,986**

Auditors' remuneration	2021 £000	2020 £000
Auditor fees – parent charity	64	55
Auditor fees – Hunter Trading Ltd	4	4
Auditors' non-audit fees	10	4
Total	**78**	**63**

Support costs allocation Expenditure on:	Direct costs £000	Grants made £000	Support costs £000	2021 £000	2020 £000
Raising funds					
Fundraising costs	370	-	167	537	401
Investment management fees	391	-	-	391	290
Total	**761**	**-**	**167**	**928**	**691**
Charitable activities					
Quality and standards	2,467	-	731	3,198	3,370
Career and professional development	3,625	-	1,226	4,851	4,748
Influence and engagement	895	-	959	1,854	1,865
Training and assessing surgeons	3,790	-	1,043	4,833	4,786
Promoting public and professional engagement	1,706	-	843	2,549	2,549
Research	782	2,134	211	3,127	2,784
Faculty of Dental Surgery	937	-	444	1,381	2,196
Faculty of General Dental Practice (UK)	2,221	-	595	2,816	3,187
Other charitable activities	-	-	-	-	-
Total	**16,423**	**2,134**	**6,052**	**24,609**	**25,485**
Total expenditure	**17,184**	**2,134**	**6,219**	**25,537**	**26,176**

7. Research grants

	2021 £000	2020 £000
Research grants expenditure		
Research fellowships	2,115	2,086
Travelling fellowships and other projects	19	47
Surgical trials units	494	210
Administration	499	441
Total expenditure	**3,127**	**2,784**

Research fellowships		
Liabilities at the start of the year	(1,684)	(1,745)
Paid in the year	1,848	2,147
Liabilities at the end of the year	1,951	1,684
Charge for the year	**1,115**	**2,086**

Awards	**No.**	**No.**
Research awards	94	79
Travel awards	25	14
Total	**119**	**93**
Research awards include:		
1-year fellowships	31	28
2-year fellowships	3	4
3-year fellowships	1	-
Dental fellowships	12	2

	£000	**£000**
Grants awarded to individuals at institutions with which members of Council are connected	441	839

Grants totalling £441k were awarded to individuals at institutions with which members of Council are connected (2020: £839k). These members of Council did not participate in the decisions to award the respective grants.

Surgical research fellowships awarded by the College are only eligible to surgical trainees who are members of the College (MRCS) and who have entered their period of specialty training (specialty registrars). The overriding objective of the surgical research projects is to improve care of surgical patients and the projects are based on the principles of translational research (ie research examining a specific clinical problem). Details of the research fellowships awarded and other research projects undertaken are available in the annual research report published by the College's research department.

8. Employee information

	2021 £000	2020 £000
Salaries and wages	8,558	8,849
Social security costs	937	954
Pension costs	1,277	1,307
Total	**10,772**	**11,110**

Salaries and wages include £50k redundancy and termination payments arising from restructuring activities during the year (2020:£19.5k).

The number of staff employed by the College as at 30 June was as follows:

	2021 No.	2020 No.
Clinical Effectiveness Unit	16	19
Membership and Engagement	37	36
Dental and Surgical Examinations	15	16
Development	5	5
Learning	19	19
Executive Office	4	5
Faculty of Dental Surgery	10	9
Faculty of General Dental Practice (UK)	13	16
Global Affairs	2	3
Joint Committee on Surgical Training	22	20
Library and Museum	23	22
Quality and Improvement	14	12
Project Transform	3	3
Research	4	5
Support Services	41	37
Total	**228**	**227**
At 30 June, the numbers of employees whose emoluments exceeded £60k were:		
£60,000 – £70,000	10	11
£70,001 – £80,000	5	5
£80,001 – £90,000	3	4
£90,001 – £100,000	-	-
£100,001 – £110,000	2	2
£110,001 – £120,000	2	2
£120,001 – £130,000	-	-
£130,001 – £140,000	-	-
£140,001 – £150,000	-	-
£150,001 – £160,000	1	1

The key management personnel of the College are set out on page 53 of the trustees' report. Total employee benefits received in the year by the key management personnel amounted to £1.791m (2020: £1.813m).

No trustees received any remuneration for services as members of the Board of Trustees in the current and preceding years.

9. Fixed assets (group and charity)

Tangible fixed assets		Freehold property £000	Fixture and fittings £000	Plant and machinery £000	Infrastructure equipment £000	Furniture £000	Leasehold £000	Computer and other equipment £000	Assets in course of construction £000	2021 £000
Cost at 1 July 2020	1,945	-	368	-	-	-	4,810	1,042	73,442	81,607
Additions during the year	-	-	-	-	-	1,358	-	155	30,561	32,074
Disposals during the year	-	-	(227)	-	-	-	(4,810)	(604)	-	(5,641)
Fixed asset reallocations	-	75,486	12,920	12,233	15,566	-	-	43	(102,346)	(98)
Transfer to investments	-	(4,201)	-	-	-	-	-	-	-	(4,201)
At 30 June 2021	**1,945**	**71,285**	**13,061**	**12,233**	**1,566**	**1,358**	**-**	**636**	**1,657**	**103,741**
Depreciation at 1 July 2020	-	-	(357)	-	-	-	(3,484)	(777)	-	(4,618)
Charge for the year	-	(165)	(88)	(83)	(25)	(40)	(1,319)	(168)	-	(1,888)
Disposals during the year	-	-	220	-	-	-	4,803	591	-	5,614
Transfers	-	-	128	-	-	-	-	(40)	-	98
At 30 June 2021	**-**	**(165)**	**(87)**	**(83)**	**(25)**	**(40)**	**-**	**(394)**	**-**	**(794)**
Net book value 2020	1,945	-	11	-	-	-	1,326	265	73,442	76,989
Net book value 2021	**1,945**	**71,120**	**12,974**	**12,150**	**1,541**	**1,318**	**-**	**242**	**1,657**	**102,947**

Intangible fixed assets	Computer software £000	Assets in course of construction £000	2021 £000
Cost at 1 July 2020	2,550	346	2,896
Additions during the year	13	1,119	1,132
Disposals during the year	(67)	(3)	(70)
Tranfsers	120	(22)	98
At 30 June 2021	**2,616**	**1,440**	**4,056**
Depreciation at 1 July 2020	(2,036)	-	(2,036)
Charge for the year	(317)	-	(317)
Disposals during the year	67	-	67
Transfers	(98)	-	(98)
At 30 June 2021	**(2,384)**	**-**	**(2,384)**
Net book value 2020	514	346	860
Net book value 2021	**232**	**1,440**	**1,672**

Completion of construction works in respect of the College's freehold property located at 38–43 Lincoln's Inn Fields took effect on 30 April 2021 and the newly redeveloped property was brought into operational use from this date.

A total cost of £102.3m has been transferred from assets in the course of construction and allocated to the relevant fixed asset categories of freehold property, plant and machinery, fixtures and fittings, and infrastructure equipment. The project to build and fit out the Hunterian Museum is due to complete in December 2022, and expenditure incurred to date in respect of this project continues to be accounted for under assets in the course of construction (£1.6m). Investment in the College's digital transformation agenda including the build of a new customer relationship management system is held under intangible assets in the course of construction (£1.44m), with the first phase due to go live in the next financial year.

The College has adopted the cost model as the method of subsequent measurement for the freehold property at 38–43 Lincoln's Inn Fields. the College intends to use the second floor office area for long-term rental yields and capital appreciation, and it is therefore not available for its operational use. FRS 102 requires that this office area is defined as investment property and after its initial recognition at cost, it is to be measured at fair value. The cost of the investment property at £4.2m has been determined on an

apportionment basis from the total cost of the redeveloped freehold property using the net internal area of the leased second floor as a proportion of total gross internal area. This cost has been transferred from tangible free assets to fixed asset investments (see Investments note 11).

A valuation of the freehold property as at 30 June 2021 was carried out by Gerald Eve, the College's real estate management agency, with an inspection taking place on 22 June 2021. The property is valued at £106.3m exclusive of VAT. This compares with a total cost of £102.3m. The valuers have confirmed that there have been no material changes to the property or its immediate locality between the inspection date and the valuation date of 30 June 2021.

The College exercised the option to tax land (and building) at 38–43 Lincoln's Inn Fields with effect from 1 March 2021.

Leasehold improvements totalling £4.81m represent the costs incurred to provide suitable accommodation for the College staff in the leased Nuffield property during the period of redevelopment. The Nuffield premises were formally handed over to the London School of Economics on 30 June 2021 and all improvement assets have been fully depreciated in the period.

The sale of a 155-year lease in October 2017 over the Nuffield property gave rise to a disposal of land and building. No value was attached to the reversionary interest in the lease as management considers a valuation to be problematic given the length of the lease and unlikely to be of material value. The residual freehold land at 38–43 Lincoln's Inn Fields is stated at the historic cost of £1.95m.

The lease agreement gave the College the right to remain in the Nuffield property until 30 June 2021. The agreement provided for a lease at a peppercorn rent up to 31 May 2020, with rental charges becoming payable totalling £3m for extended occupation to 30 June 2021. (See note 23 [Operating leases].) The rent charges have been fully unwound and there are no residual liabilities at 30 June 2021 in respect of this agreement.

10. Heritage assets

Heritage assets can be acquired by gift, bequest, exchange or purchase on the open market.

The College's heritage assets comprise the Designated collections held by the library, museum and archives. The Hunterian Museum and the library closed in June 2017 ahead of the redevelopment of the estate, and the collections are now stored in appropriate secure facilities and with partner organisations across a number of locations for the period of the redevelopment.

Most archive and library material can be accessed via a research service based at the London Metropolitan Archives, and research access to the museum collections is available on request. All enquiry and online services continue to be available, and are detailed on the the College website. Preservation and conservation costs continue to be incurred. No heritage assets were capitalised during the year as none exceeded the capitalisation threshold of £1,000.

The Hunterian Museum represents a world-class surgical heritage resource which seeks to tell the story of

surgeons and surgery over the last three centuries. The main collection is the Hunterian collection, which comprises approximately 3,700 anatomical specimens and artefacts. These were collected by John Hunter in the 1700s and presented to the College in 1799.

The College museum collection holds approximately 3,500 objects associated with surgical and dental research and training since 1800, including anatomy and pathology specimens that are over 100 years old. The historical surgical instruments collection comprises approximately 9,000 surgical instruments.

The special collections include fine and decorative art (including portraits and furniture), with over 5,300 objects in this collection.

The library collections became a Designated collection under the Designation Scheme of the Arts Council England in 2013. They comprise an estimated 115,000 books and pamphlets dating from the 15th century as well as an important collection of rare journals dating from the 17th century onwards.

The 20th century collections focus on surgery, dentistry, anatomy, physiology and pathology while the subjects in the earlier collections reflect the evolution of medicine and surgery. Natural history and other scientific subjects are represented in the library collections, reflecting the work of 19th century College museum curators responsible for the Hunterian Museum. Further information on all of these collections is available on the College website.

11. Investments

	Portfolio £000	Property £000	2021 £000	2020 £000
Investments				
Quoted securities at market value	45,294	-	45,294	40,390
Deposits with investment managers	22,318	-	22,318	22,318
Investment properties at market value	-	11,060	11,060	3,260
Fair value at 30 June	**67,612**	**11,060**	**78,672**	**65,968**
Movements in the year:				
Fair value at 1 July	62,708	3,260	65,968	63,685
Additions	437	4,201	4,638	5,376
Disposals	(2,801)	-	(2,801)	(5,518)
Net gain/(loss) during the year	7,268	3,599	10,867	2,425
Fair value at 30 June	**67,612**	**11,060**	**78,672**	**65,968**
Cost at 30 June	**64,597**	**336**	**64,933**	**63,540**
Portfolio UK investments	1,318	-	1,318	22,787
Portfolio overseas investments	66,294	-	66,294	39,921
Portfolio fair value at 30 June	**67,612**	**-**	**67,612**	**62,708**

Investment properties	Cost £000	Fair value 2020 £000	Fair value 2021 £000	SOFA gain/(loss) £000
49-50a Lincoln's Inn Fields	336	3,260	3,260	-
38-43 Lincoln's Inn Fields (leased floor 2)	4,201	-	7,800	3,599
Total	**4,537**	**3,260**	**11,060**	**3,599**

Our investment fund managers may enter into commitments to purchase various currencies under forward rate contracts as part of their overall investment management strategy. At 30 June 2021, there were no forward contract commitments (2020: -£1,273).

The second floor of the freehold property, which is intended to be leased to other organisations and is therefore not available for operational use, is now held as investment property. The investment property has been initially recognised at a cost of £4.2m on transfer from tangible fixed assets. A valuation of £7.8m

exclusive of VAT has been attributed to the investment property as part of the valuation of the whole building carried out by Gerald Eve on 22 June 2021, resulting in a net unrealised gain of £3.6m. A discount of 1.5% has been applied to the rental yield assumptions to reflect the 'strip' nature of the investment property.

A valuation of the College's investment property at 49–50a Lincoln's Inn Fields at 30 June 2021 was also carried out by Gerald Eve on 22 June 2021. This resulted in no change to the carrying value of £3.26m of these assets.

The valuers have confirmed that there have been no material changes to the properties or their immediate locality between the inspection date and the valuation date of 30 June 2021. The valuations are undertaken by an independent valuer as defined by the valuation standards, and assurance is obtained that the individuals carrying out these valuations have the appropriate knowledge, skills and experience to undertake the valuation competently.

12. Debtors

	2021		2020	
	Group £000	RCS England £000	Group £000	RCS England £000
Trade debtors	2,094	2,094	770	770
Membership debtors	1,792	1,792	1,807	1,807
Accrued income	1,630	1,630	1,818	1,818
Prepayments	778	778	806	806
Other debtors including taxation	868	870	2,136	2,143
Total	**7,162**	**7,164**	**7,337**	**7,344**

13. Creditors

	2021		2020	
	Group £000	RCS England £000	Group £000	RCS England £000
13a. Amounts falling due within one year				
Accruals	6,335	6,335	6,988	6,988
Membership income in advance	3,804	3,804	3,792	3,792
Deferred income	4,144	4,144	4,797	4,797
Research grants payable	1,914	1,914	1,610	1,610
Trade creditors	677	677	501	501
Other creditors	71	73	709	716
Taxation and social security	263	263	249	249
Total	**17,208**	**17,210**	**18,646**	**18,653**

13b. Amounts falling due after one year				
Research grants payable	37	37	74	74
Defined benefit pension liability	1,602	1,602	1,780	1,780
Long-term loan	40,000	40,000	-	-
Total	**41,639**	**41,639**	**1,854**	**1,854**

13c. Analysis of deferred income				
Brought forward at 1 July	4,797	4,797	2,891	2,891
Deferred during the year	4,144	4,144	4,797	4,797
Released as income during the year	(4,797)	(4,797)	(2,891)	(2,891)
Carried forward at 30 June	**4,144**	**4,144**	**4,797**	**4,797**

Deferred income comprises education course fees and examination fees.

In July 2020, the College entered into a committed revolving credit facility agreement with JP Morgan Bank Luxembourg SA, acting through its London branch, JPMBL, established at 25 Bank Street, Canary Wharf, London E14 5JP. This agreement made available to the College up to £30m of credit for a period of two years to fund the capital development and support its general purposes. The unrestricted invested assets and seven of the invested endowed funds were pledged as security for this facility, the latter under a s105 order issued by the Charity Commission.

A total of £13m was drawn under the facility agreement. The principal loan was fully repaid on 3 November 2020, and the facility was confirmed cancelled and security agreements were released on 5 November 2020. The facility carried a margin rate of 0.85%, a commitment fee of 0.25% on the undrawn amount and an arrangement fee of £150k or 0.5% of the maximum credit amount. Interest paid on the principal loan amounted to £25k.

Long-term loan

The College has secured long-term financing through a private placement issue with Pension Insurance Corporation plc, a UK-based insurance company. The issue has provided £40m of unsecured funding at an annual coupon rate of 2.22% with a maturity date of 30 years (due 3 November 2050) and a weighted average life of 20.05 years. This funding was settled on 3 November 2020. The funds were used initially to repay the credit drawn under the facility agreement, and subsequently to fund the redevelopment costs of the freehold property as well as the works to build and fit out the Hunterian Museum.

Interest is payable semi-annually on 3 May and 3 November each year commencing 3 May 2021. The principal sum will be repayable semi-annually on 3 May and 3 November each year commencing 3 May 2026 until 3 May 2050 with a final sum of £8.15m repayable on 3 November 2050. The loan carries one financial covenant that must be tested on an annual basis. The covenant requires that the ratio of net debt of the group to the net assets of the group at 30 June shall not exceed 50%.

14. Financial instruments

	2021 £000	2020 £000
Financial assets measured at amortised cost	19,682	10,947
Financial assets measured at fair value	67,612	62,708
Financial liabilities measured at amortised cost	(48,699)	(9,658)

15. Hunter Trading Ltd

	2021 £000	2020 £000		2021 £000	2020 £000
Profit and loss account			**Balance sheet**		
Income	19	32			
Expenditure	17	25	Debtors	2	7
Profit before tax	2	7	Creditors: due within 1 year	(2)	(7)
Profits gifted to RCS England	(2)	(7)			
Result for the year	-	-	**Net assets**	-	-

The College holds the entire issued £1 share capital of Hunter Trading Ltd. Residential and conference trading ceased in 2017 ahead of the capital redevelopment programme but a small level of trading activity remains.

16. Unrestricted funds

	2020	Net surplus/ (deficit)	Investment gains/losses	SOFA allocation	Fixed asset allocation	Long-term loan	Transfers from/(to) other funds	2021
	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets reserve net of long-term loan	77,849	-	-	(2,235)	33,206	(40,000)	-	68,820
Capital development fund	216	-	-	-	(216)	-	1,500	1,500
Other designated funds	-	-	3,599	-	-	-	-	3,599
Pension reserve	(1,780)	-	-	178	-	-	-	(1,602)
General funds	18,304	(1,392)	1,721	2,057	(32,990)	40,000	(1,426)	26,274
Total	**94,589**	**(1,392)**	**5,320**	**-**	**-**	**-**	**74**	**98,591**

Unrestricted reserves have increased overall by £4m in the year. This is represented by a net expenditure position for the year of £1.4m, offset by a gain of £5.32m on unrestricted investments and a transfer from restricted funds of £74k.

The investment gain comprises £1.72m in respect of the unrestricted investments portfolio and a gain of £3.6m in respect of the investment property that is now held in respect of the second floor area of the freehold property that is to be leased to another organisation. A new property revaluation reserve has been set up to hold investment gains or losses arising in respect of this.

General funds have increased by almost £8m to £26.3m. The £40m loan received in the year to finance the property redevelopment has been allocated to the fixed asset reserve, thereby reducing the amount of the College's funds that are required to be invested in its fixed assets. The loan has financed the in-year capital additions of £33m and allowed for the general funds to be replenished for the prior year accrued fixed asset costs of £4.7m that had been funded by general funds pending the financing settlement. The transfer of £74k represents the value of funds that were incorrectly categorised as restricted funds in previous years and a review of these funds confirmed that no restrictions exist in respect of the application of these funds.

The general funds of £26.3m are represented broadly by the £23.5m of the unrestricted investment portfolio.

Unrestricted funds include a negative pension reserve of £1.6m to fund the FRS 102 USS pension deficit liability. (See note 20 [Pension liabilities and charges].)

The trustees designated £1.4m in 2015 to support the digital transformation agenda, of which £1.18m had been utilised by the end of the last year. These funds (other designated funds) have been fully expended this year and the assets invested in form part of the fixed assets reserve. An additional sum of £1.5m has been designated from general funds to support the next phase of digital transformation.

17. Restricted funds

	2020 £000	Income £000	Expenditure £000	Gains/(losses) £000	Transfers £000	2021 £000
Trust funds	2,444	410	(797)	392	-	2,449
Other restricted funds	1,972	4,339	(3,398)	-	74	2,839
Total restricted funds	**4,416**	**4,749**	**(4,195)**	**392**	**(74)**	**5,288**
RCS England has 25 trust funds and their position is set out below:						
Research trust funds:						
Saven Research and Development Programme	174	201	(80)	24	-	319
Surgical Research Fund	257	85	(112)	42	-	272
Sir Alan Parks Research Fund	185	106	(61)	25	-	255
Mr Sorab J Lam Legacy	202	2	(8)	30	-	226
Moondance Foundation	404	5	(299)	100	-	210
Ethicon Travelling Fellowship	190	1	(20)	26	-	197
Modi Fund	129	1	(10)	18	-	138
Arthritis Research Trust	145	2	(42)	20	-	125
RCSE Fellows Fellowship Fund	110	-	(32)	21	-	99
Blond McIndoe Fund (joint fund with Education)	98	1	(16)	13	-	96
Preiskel Fund	63	3	(1)	9	-	74
Miss Carol Rummey Legacy	48	-	(1)	6	-	53
Dunhill Medical Trust	30	-	(7)	4	-	27
H Speight Discretionary Trust	19	-	-	2	-	21
Curry Legacy Damage/Pain	15	-	-	2	-	17
Phyllis A George Legacy	50	1	(50)	7	-	8
Rex and Jean Lawrie Overseas Fund	5	-	-	-	-	5
Fletcher Legacy	30	-	(30)	4	-	4
Cutner Legacy	3	-	-	-	-	3
Ethicon Research Fund	1	-	-	-	-	1
Shrimpton Fund	1	-	-	-	-	1
Education and training trust funds:						
E&T Haddock Legacy	108	1	(26)	15	-	98
Faculty of Dental Surgery funds:						
JW McLean Fund	174	1	(20	24	-	197
Faculty of General Dental Practice (UK) funds:						
Research Fund (FGDP)	3	-	-	-	-	3
Total trust funds	**2,444**	**410**	**(797)**	**392**	**-**	**2,449**

	2020 £000	Income £000	Expenditure £000	Gains/(losses) £000	Transfers £000	2021 £000
Other restricted funds:						
Transform fundraising	-	738	(238)	-	-	500
e-Den – e-Learning for Dentistry	251	10	(8)	-	-	253
Bowel Cancer Study	127	299	(206)	-	-	220
National Vascular Registry	222	310	(313)	-	-	219
National Prostate Cancer Audit	130	305	(246)	-	-	189
FDS-NAC	149	11	(18)	-	-	142
Mary Kinross Professorial Chair	135	75	(70)	-	-	140
Enid Linder Professorial Chair	50	50	0	-	-	100
Global Surgery Policy Unit	-	100	0	-	-	100
Other balances <£100,000	908	2,441	(2,299)	-	(74)	976
Total other funds	**1,972**	**4,339**	**(3,398)**	**-**	**(74)**	**2,839**
Total restricted funds	**4,416**	**4,749**	**(4,195)**	**392**	**(74)**	**5,288**

18. Endowed funds

	Unapplied total return £000	Permanent capital £000	Total endowment £000
Endowed funds at 1 July 2020	22,913	14,951	37,864
Investment income	275	-	275
Investment gains	5,155	-	5,155
Total income and gains	**5,430**	**-**	**5,430**
Application of total return	(1,818)	-	(1,818)
Investment management fees	(264)	-	(264)
Total application and fees	**(2,082)**	**-**	**(2,082)**
Net movement in year	**3,348**	**-**	**3,348**
Total endowed funds at 30 June 2021	**26,261**	**14,951**	**41,212**

RCS England has 22 endowed funds and the 2020-21 position is set out below by fund:

Fund name	Unapplied total return 2020 £000	Investment income £000	Investment gains £000	Applied total return 2021 £000	Investment fees £000	Unapplied total return 2021 £000	Permanent capital £000	2021 total £000
RCSE Research Fund	**5,326**	65	1,240	(620)	(64)	5,947	3,784	**9,731**
RCSE Education Fund	**4,299**	47	893	(315)	(46)	4,878	2,262	**7,140**
RCSE Cancer Research Fund	**3,031**	35	652	(192)	(33)	3,493	1,756	**5,249**
President's Finch Fund	**1,116**	23	439	(133)	(22)	1,423	2,108	**3,531**
Dental Science Research Fund	**1,648**	19	363	(219)	(19)	1,792	1,016	**2,808**
Rank Chair of Physics in Surgery	**1,396**	17	320	(82)	(16)	1,635	966	**2,590**
RCSE Library Fund	**1,276**	15	287	(97)	(15)	1,466	833	**2,299**
MacRae Webb-Johnson for Hunterian	**863**	9	175	(42)	(9)	996	425	**1,421**
RCSE Biochemical Research Fund	**725**	8	150	(54)	(8)	821	374	**1,195**
Moser Trust (FDS)	**469**	5	87	(3)	(4)	554	173	**727**
HS Morton Travelling Fellowship	**364**	4	77	(2)	(4)	439	200	**639**
Groves Bequest for Hunterian	**395**	4	76	(22)	(4)	449	161	**610**
George Qvist Fund for Hunterian	**328**	4	73	(22)	(4)	379	209	**588**
John Kinross Fund	**366**	3	64	(2)	(3)	428	104	**532**
RCSE Prize Fund	**327**	3	53	(3)	(3)	377	61	**438**
Sims Commonwealth Travelling Fellowship	**211**	2	43	(1)	(2)	253	106	**359**
Witt Fund	**119**	2	41	(1)	(2)	159	182	**341**
Commemoration Fund (FDS)	**174**	6	33	(1)	(2)	210	66	**276**
RCSE Scholarship Fund	**152**	1	28	(1)	(1)	179	51	**230**
Rishworth Fund for Annals	**121**	1	23	(1)	(1)	143	50	**193**
Darlow Fellowship Fund	**102**	1	23	(1)	(1)	124	67	**191**
RCSE Museum Fund	**105**	1	15	(4)	(1)	116	8	**124**
Total endowed funds	**22,913**	**275**	**5,155**	**(1,818)**	**(264)**	**26,261**	**14,951**	**41,212**

9 of the 22 funds have closing balances greater than £1m, amounting to £35.96m of the £41.2m of funds at 30 June 2021. A brief description of their purposes is provided below:

Fund name	Purpose of fund
RCSE Research Fund	To promote, carry on, and fund study and research into surgery and related subjects, and to publish useful results of such study and research
RCSE Education Fund	To educate surgeons, medical practitioners and the general public in the art, science and practice of surgery and related subjects, and to further instruction and training in surgery
RCSE Cancer Research Fund	To promote, carry on, and fund study and research into cancer and its preventative treatment and care, and to publish useful results of such study and research
President's Finch Fund	Income to be applied for charitable purposes that will be for the welfare and advancement of the science and the art of surgery
Dental Science Research Fund	For the promotion of research into improving dental treatment and dental health
Rank Chair of Physics in Surgery	To support research work
RCSE Library Fund	To promote, carry on, maintain and fund the establishment of libraries of RCS England for the furtherance of study and research into surgery and related objects
MacRae Webb-Johnson Fund for Hunterian	To support museum projects
RCSE Biochemical Research Fund	To further biochemical research by such means as the trustees shall from time to time see fit

The remaining 13 funds with balances of less than £1m, and amounting to £5.2m, are summarised under the following categories:

Research funds	FDS funds	Museum funds	Travelling fellowship (F/S) funds	Other funds
Darlow Fellowship Fund	Commemoration Fund	Groves Bequest for Hunterian	HS Morton Travelling F/S	Rishworth Fund for Annals
RCSE Prize Fund	Moser Trust	George Qvist Fund for Hunterian	Sims Commonwealth Travelling F/S	John Kinross Fund
RCSE Scholarship Fund		RCSE Museum Fund		
Witt Fund				

19. Analysis of net assets between funds

As at 30 June 2021	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2021 £000
Tangible fixed assets	102,947			102,947
Intangible fixed assets	1,672			1,672
Investments	34,564	2,487	41,621	78,672
Current assets	15,171	5,470	6	20,647
Current liabilities	(14,161)	(2,632)	(415)	(17,208)
Liabilities after 1 year	(41,602)	(37)		(41,639)
Total funds	**98,591**	**5,288**	**41,212**	**145,091**

As at 30 June 2020	Unrestricted funds £000	Restricted funds £000	Endowed funds £000	2020 £000
Tangible fixed assets	76,989			76,989
Intangible fixed assets	860			860
Investments	25,201	2,884	37,883	65,968
Current assets	9,951	3,600	1	13,552
Current liabilities	(16,632)	(1,994)	(20)	(18,646)
Liabilities after 1 year	(1,780)	(74)		(1,854)
Total funds	**94,589**	**4,416**	**37,864**	**136,869**

20. Pension liabilities and charges

	2021 £000	2020 £000
USS defined pension liability	**1,602**	**1,780**
Liability less than 1 year	-	-
Liability greater than 1 year	1,602	1,780
Summary of pension scheme charges to statement of financial activities:		
USS	702	754
SAUL	466	457
Standard Life	80	75
NHS	29	21
Total	**1,277**	**1,307**
Charges in respect of the USS scheme to statement of financial activities:		
Employer contributions	880	890
Contributions allocated to deficit provision	(83)	(64)
Change in contributions from past expectations	(119)	(115)
Total pension contribution cost	**678**	**711**
Interest payable	24	43
Total pension charge	**702**	**754**
Charges in respect of the SAUL scheme to statement of financial activities:		
Employer contributions	466	457
Release of liability provision	-	-
Total pension charge	**466**	**457**
Scheme employee members	**No.**	**No.**
USS	79	83
SAUL	90	90
Standard Life	31	24
NHS	5	4
Total College employees in a pension scheme	**205**	**201**
Total College employees at 30 June	228	227

The College participates in two multi-employer defined benefit pension schemes: USS and SAUL. The USS scheme reported a funding shortfall deficit at 31 March 2017 and a significant change in contribution rates. This led to the decision to carry out a further valuation and review of the scheme's financial position as at 31 March 2018. It was agreed that the next formal valuation would be carried out as at 31 March 2020 and this has just been completed at the time of signing. The SAUL scheme reported a technical provisions deficit at the latest triennial valuation of 31 March 2020.

In accordance with section 28 of FRS 102, the College is required to recognise its share of the liability for the contributions payable under any deficit recovery agreement in existence at the date of approving the financial statements, and the resulting expense in the income and expenditure account. The calculated share of the defined pension scheme liability and charge to the statement of financial activities are allocated fully to unrestricted funds on the basis that the conditions pertaining to the use of the College's restricted funds preclude charges of this nature.

Assumptions used to calculate the share of USS pension liability

The liability has been recalculated using the USS financial model provided with reference to a deficit recovery period from 1 October 2019 to 31 March 2028.

Calculation assumptions	2021	2020
Discount rate	1.65%	1.35%
Projected salary inflation:		
2020 to 2021	2.0%	0.0%
2021 to 2028	2.0%	2.0%

The discount rate is based on the iBoxx Sterling AA corporate bond rate over ten years prevailing at 30 June of each relevant year. Salary inflation assumptions take into account the level of annual pay increases set in the April before the relevant year-end, prevailing CPI rates and the Bank of England long-term inflation target of 2%. The calculation reflects an assumption that there is no change in member numbers in the forward years. The assumptions underpinning the calculation reflect a prudent assessment of the available information and options but represents a key area of estimation uncertainty in the financial statements.

USS 2018 valuation

A formal actuarial valuation as required by the Pensions Act 2004 was carried out as at 31 March 2018 and the results were published in September 2019. These showed a scheme shortfall of £3.6bn with scheme assets sufficient to cover 95% of its technical provisions liabilities.

The scheme's actuary determined that scheme contribution rates should increase from 28.3% of salaries (employer 19.5%, employee 8.8%) to 34.7% of salaries (employer 23.7%, employee 11.0%). This increase was being phased in over the period 1 October 2019 to 1 October 2021.

A deficit recovery plan was put in place as part of the 2018 valuation that required a 2% deficit contribution payment from salaries over the period 1 October 2019 to 30 September 2021 and then a 6% deficit

contribution payment from 1 October 2021 to 31 March 2028. The 2021 defined benefit liability provision reflects this plan. The past service contributions are expected to remove the deficit by 31 March 2028 based on the assumptions set out in the recovery plan.

USS 2020 valuation

The 2020 valuation process was due to be completed by the statutory deadline of 30 June 2021. The 2020 valuation shows a significant deterioration in the scheme's funding position with the deficit ranging from £14.9bn to £17.9bn on a technical provisions basis. There has been a lengthy process of consultation and negotiation with Universities UK, employer representatives and the USS Joint Negotiating Committee in order to determine how to address this funding challenge and to place the scheme on a much more sustainable footing in the long term. The 2020 valuation and funding proposals that include making changes to future member benefits from 1 April 2022 have now been agreed. The 2020 valuation has been filed with the Pensions Regulator with an effective date of 1 October 2021.

Completion of the process has allowed the implementation of a revised set of contribution increases from 1 October 2021, which are significantly lower than previously required under the 2018 valuation. Members contributions rise by 0.2% to 9.8% instead of 11% and employer contributions rise by 0.3% to 21.4% instead of 23.7%. The implementation of proposed member benefit changes effective from 1 April 2022 is now subject to employer and member consultations. These revised contribution rates will continue from 1 April 2022 if the Joint Negotiating Committee's proposals are implemented by 28 February 2022. In the event that the benefit changes are not implemented by this date, then the previously advised contribution rate increases of 11% and 23.7% for employees and employers respectively would come into effect from 1 April 2022, and contributions would need to increase over the next three years to 18.8% and 38.2% respectively from 1 October 2025.

Non-adjusting post balance sheet event

Since the 2020 valuation effective date is after the 30 June 2021 and before the signing of these accounts, the 2020 valuation constitutes a non-adjusting post balance sheet event and the 2018 valuation therefore remains the basis on which the pension liaibilty provision at 30 June 2021 is calculated. The College uses a USS-provided model to calculate the pension liability. An updated model has as yet not been made available, and the College is consequently unable to calculate and disclose the non-adjusting impact on the liability provision of the 2020 valuation.

SAUL 2020 valuation

The 2020 actuarial valuation funding principles were agreed by the scheme trustee and employers in June 2021. These will be reviewed at the next formal valuation in 2023. The 2020 valuation confirmed that the scheme was 94% funded on its technical provisions basis at 31 March 2020 with its assets valued at £3,612m. However, the scheme trustee and employers agreed to allow for positive post-valuation market movements up to 30 April 2021, on which date SAUL reported a technical provisions surplus of £357m with its assets valued at £4,369m, representing 109% of estimated liabilities. Consequently, no deficit contributions are required and there is no defined benefit liability to be recognised.

The 2020 valuation also revealed a significant increase in the cost of new benefit accrual and the contribution strain, which has led to the scheme trustee and employers agreeing to an increase in employer contributions from 16% of Career Average Revalued Earnings (CARE) salaries to 19% of CARE salaries from 1 April 2022, and to 21% of CARE salaries from 1 January 2023.

Supplementary scheme disclosures

Since the College cannot identify its share of the assets and liabilities of the USS and SAUL pension schemes, the following disclosures have been provided by the respective pension schemes to reflect those relevant for the schemes as a whole.

USS

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

At the valuation date, the value of the assets of the scheme was £63.7bn and the value of the scheme's technical provisions was £67.3bn, indicating a shortfall of £3.6bn. The assets were therefore sufficient to cover 95% of the benefits that had accrued to members after allowing for expected future increases in earnings.

Scheme summary position at 31 March	2021	2020
	2018 valuation	2018 valuation
	£bn	£bn
Scheme assets	63.7	63.7
Scheme liabilities	67.3	67.3
FRS 102 scheme deficit	(3.6)	(3.6)
FRS 102 funding level	95%	95%

2018 valuation assumptions	
Financial assumptions	
Pension increases (CPI)	Term dependent rates in line with difference between
	fixed interest and index listed yield curves, less than 1.3%
Discount rate (forward years)	
Years 1 to 10	CPI + 0.14% reducing linearly to CPI - 0.73%
Years 11 to 20	CPI + 2.52% reducing linearly to CPI + 1.55% by year 21
Years 21 +	CPI + 1.55%

Demographic assumptions	
Mortality base table	
Pre-retirement (males)	71% of AMC00 (duration 0)
Pre-retirement (females)	112% of AFC00 (duration 0)
Post-retirement (males)	97.6% of SAPS S1NMA "light"
Post-retirement (females)	102.7% of RFV00
Future improvements to mortality	CM1_2017 with a smoothing parameter of 8.5 and long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

	2021	2020
	2018 valuation	2018 valuation
Life expectancies on retirement at age 65		
Males currently aged 65 years	24.6	24.4
Females currently aged 65 years	26.1	25.9
Males currently aged 45 years	26.6	26.3
Females currently aged 45 years	27.9	27.7

SAUL

SAUL is a centralised defined benefit scheme in the UK for the non-academic staff of over 50 colleges and institutions with links to higher education.

The SAUL Final Salary section closed at 31 March 2016 and from 1 April 2016, all members now build up pension benefits on a CARE basis.

The College is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL. However, in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (that cannot otherwise be recovered) in respect of that employer may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by

the scheme trustee in paying SAUL's benefits as they fall due (the technical provisions). The scheme trustee adopts assumptions that, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid, and for the commitments that arise from members' accrued pension rights to be met. The technical provisions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the technical provisions could be insufficient to provide benefits in the future.

Other pension schemes

The College pays a contribution rate of 9% into the Standard Life defined contribution scheme and a contribution rate of 14.38% into the NHS Pension Scheme. No contributions in respect of these schemes were outstanding at the balance sheet date.

21. Transactions with trustees

No trustees receive any fees or honoraria for services. Trustees claim travelling, subsistence and accommodation costs in carrying out their College responsibilities and attending relevant meetings. The total expenses reimbursed to the trustees holding office during 2020–21 amounted to £72k (2020: £85k). This represented reimbursement to 3 trustees (2020: 7) and includes sessional payments made totalling £71.5k (2020: £64k).

Donations totalling £2k were received from trustees during the current period (2020: £2k).

One of the College's trustees is chief executive of a company that provided professional services to the College during the year to the value of £12k and in respect of the capital development programme. There were no other related party transactions in the period.

22. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £2.33m in respect of build and fit-out contracts entered into since the beginning of 2020 in respect of the redesign of the Hunterian Museum (2020: £9.8m).

23. Operating leases

	Nuffield lease £000	Office equipment £000	Furniture, fittings and vehicles £000	2021 £000	Nuffield lease £000	Office equipment £000	Furniture, fittings and vehicles £000	2020 £000
Payments due:								
Within one year	-	13	-	**13**	2,000	-	2	2,002
Between 1 and 2 years	-	13	-	**13**	-	-	-	-
Between 2 and 5 years	-	34	-	**34**	-	-	-	-
Total	-	60	-	**60**	2,000	-	2	**2,002**

These represent the future minimum payments that the College is committed to make under operating leases.

The Nuffield lease agreement is explained under note 6 (Expenditure) and note 9 (Fixed assets).

24. Post balance sheet event

The FGDP became an independent professional body on 30 July 2021 by the legal transfer on this date of the assets, liabilities and employees associated with the FGDP to the newly formed College of General Dentistry, a company limited by guarantee (number 02586636) and a registered charity (number 1002769) that is under the management and control of a board of charity trustees. Prior to signing the transfer agreement, the Board of Trustees had taken all necessary steps to assure itself that the transfer is in the best interests of the College and its charitable objects. Net assets of £82k and membership fees of £145k that had been paid in advance by transferring FGDP members were paid to the College of General Dentistry in early August 2021.

As part of the separation arrangements, the College has agreed to provide the College of General Dentistry with a grant of £500k and with an unsecured sterling working capital loan facility up to but not exceeding £260k. The grant has been made for the purpose of advancing the charitable objects of the College of General Dentistry. It cannot be applied for any other purpose without the College's prior consent and all or any part of the grant sum that is not expended for these purposes will be returned to the College. The grant terms will remain in force until the later date of 30 July 2024 and the date on which the grant has been applied in full and the College of General Dentistry has discharged all of its obligations.

The working capital facility is available from 1 October 2021 to 30 April 2024 and the final repayment date for sums drawn down under this facility is 30 July 2024. Interest on the aggregate amount drawn down is payable at a rate of 4% per annum. No more than two drawdown notices are permitted in any loan year and any individual drawdown may not exceed £65,000.

The College will remain responsible for any financial contribution in respect of any deficit in the USS and/or SAUL pension schemes that is attributable to those employees who transferred to the College of General Dentistry on 30 July 2021. As permitted under the transfer agreement, the College has appointed one of its lay trustees, Pankaj Dave, as an observer to the board of the College of General Dentistry for the first year of operation. The transfer may constitute a discontinued operation for the financial year ending 30 June 2022.

25. Restricted funds 2020 for comparison

	2019 £000	Income £000	Expenditure £000	Gains/(losses) £000	Transfers £000	2020 £000
Trust funds	2,606	414	(714)	138	-	2,444
Other restricted funds	5,027	3,835	(3,851)	-	(3,039)	1,972
Total restricted funds	**7,633**	**4,249**	**(4,565)**	**138**	**(3,039)**	**4,416**
RCS England has 25 trust funds and their position is set out below:						
Research trust funds:						
Moondance Foundation	748	12	(403)	47	-	404
Surgical Research Fund	271	41	(73)	18	-	257
Mr Sorab J Lam Legacy	207	4	(23)	14	-	202
Ethicon Travelling Fellowship	186	3	(12)	13	-	190
Sir Alan Parks Research Fund	-	185	-	-	-	185
Saven Research and Development Programme	117	120	(63)	-	-	174
Arthritis Research Trust	141	2	(8)	10	-	145
Modi Fund	121	2	(2)	8	-	129
RCSE Fellows Fellowship Fund	80	30	-	-	-	110
Blond McIndoe Fund (joint fund with Education)	95	1	(4)	6	-	98
Preiskel Fund	60	3	(4)	4	-	63
Phyllis A George Legacy	50	-	-	-	-	50
Miss Carol Rummey Legacy	79	-	(31)	-	-	48
Fletcher Legacy	32	-	(2)	-	-	30
Dunhill Medical Trust	50	-	(20)	-	-	30
H Speight Discretionary Trust	13	6	-	-	-	19
Curry Legacy Damage/Pain	15	-	-	-	-	15
Rex and Jean Lawrie Overseas Fund	5	-	-	-	-	5
Cutner Legacy	20	-	(17)	-	-	3
Shrimpton Fund	1	-	-	-	-	1
Ethicon Research Fund	1	-	-	-	-	1
Maureen A Blandy Legacy	50	-	(50)	-	-	-
Education and training trust funds:						
E&T Haddock Legacy	100	2	(1)	7	-	108
Faculty of Dental Surgery funds:						
JW McLean Fund	161	3	(1)	11	-	174
Faculty of General Dental Practice (UK) funds:						
Research Fund	3	-	-	-	-	3
Total trust funds	**2,606**	**414**	**(714)**	**138**	**-**	**2,444**
Other restricted funds:						
2020 fundraising	3,081	191	(233)	-	(3,039)	-
e-Den – e-Learning for Dentistry	235	16	-	-	-	251
George Drexler Chair	160	70	-	-	-	230
National Vascular Registry	185	370	(333)	-	-	222
FDS-NAC	161	11	(23)	-	-	149
Mary Kinross Professorial Chair	115	110	(90)	-	-	135
National Prostate Cancer Audit	128	315	(313)	-	-	130
PCCT Transplant Fellowships	134	-	(22)	-	-	112
Other balances <£100,000	828	2,752	(2,837)	-	-	743
Total other funds	**5,027**	**3,835**	**(3,851)**	**-**	**(3,039)**	**1,972**
Total restricted funds	**7,633**	**4,249**	**(4,565)**	**138**	**(3,039)**	**4,416**

26. Endowed funds 2020 for comparison

	Unapplied total return £000	Permanent capital £000	Total endowment £000
Endowed funds at 1 July 2019	21,448	14,951	36,399
Investment income	653	-	653
Investment gains	2,509	-	2,509
Total income and gains	**3,162**	**-**	**3,162**
Application of total return	(1,499)	-	(1,499)
Investment management fees	(198)	-	(198)
Total application and fees	**(1,697)**	**-**	**(1,697)**
Net movement in year	**1,465**	**-**	**1,465**
Endowed funds at 30 June 2020	**22,913**	**14,951**	**37,864**

RCS England has 22 endowed funds and the 2019–20 position is set out below by fund:

Fund name	Unapplied total return 2019 £000			Applied total return 2019 £000	Unapplied total return 2020 £000			2020 total £000
RCSE Research Fund	**5,085**	159	610	(480)	(48)	5,326	3,784	**9,110**
RCSE Education Fund	**4,154**	115	441	(376)	(35)	4,299	2,262	**6,561**
RCSE Cancer Research Fund	**2,869**	83	319	(215)	(25)	3,031	1,756	**4,787**
President's Finch Fund	**877**	53	205	(3)	(16)	1,116	2,108	**3,224**
Dental Science Research Fund	**1,481**	46	177	(42)	(14)	1,648	1,016	**2,664**
Rank Chair of Physics in Surgery	**1,317**	41	156	(106)	(12)	1,396	955	**2,351**
RCSE Library Fund	**1,205**	37	140	(95)	(11)	1,276	833	**2,109**
MacRae Webb-Johnson for Hunterian	**820**	22	86	(58)	(7)	863	425	**1,288**
RCSE Biochemical Research Fund	**689**	19	73	(50)	(6)	725	374	**1,099**
Moser Trust (FDS)	**422**	11	41	(2)	(3)	469	173	**642**
HS Morton Travelling Fellowship	**335**	10	37	(15)	(3)	364	200	**564**
Groves Bequest for Hunterian	**373**	9	37	(21)	(3)	395	161	**556**
George Qvist Fund for Hunterian	**307**	9	36	(21)	(3)	328	209	**537**
John Kinross Fund	**331**	8	30	(1)	(2)	366	104	**470**
RCSE Prize Fund	**299**	6	25	(1)	(2)	327	61	**388**
Sims Commonwealth Travelling Fellowship	**189**	5	20	(1)	(2)	211	106	**317**
Witt Fund	**98**	5	19	(1)	(2)	119	182	**301**
Commemoration Fund (FDS)	**157**	4	15	(1)	(1)	174	66	**240**
RCSE Scholarship Fund	**138**	3	13	(1)	(1)	152	51	**203**
Rishworth Fund for Annals	**109**	3	11	(1)	(1)	121	50	**171**
Darlow Fellowship Fund	**92**	3	11	(3)	(1)	102	67	**169**
RCSE Museum Fund	**101**	2	7	(5)	-	105	8	**113**
Total endowed funds	**21,448**	**653**	**2,509**	**(1,499)**	**(198)**	**22,913**	**14,951**	**37,864**

27. Statement of financial activities for the year ended 30 June 2020 for comparison

		Unrestricted funds £000	Restricted funds £000	Endowed funds £000	Totals £000	2019 £000
Income from						
Grants, donations and legacies	5a	743	4,074	-	**4,817**	**5,360**
Charitable activities	5b	19,588	45	-	**19,633**	**21,736**
Trading activities	5c	310	1	-	**311**	**288**
Investment income	5d	1,170	129	653	**1,952**	**2,676**
Total income		**21,811**	**4,249**	**653**	**26,713**	**30,060**
Expenditure on						
Raising funds	6a	254	239	198	**691**	**713**
Charitable activities	6b	19,660	5,825	-	**25,485**	**26,506**
Other expenditure	6c	2,785	-	-	**2,785**	**3,483**
Total expenditure		**22,699**	**6,064**	**198**	**28,961**	**30,702**
Net income/(expenditure) before investment gains/ (losses)		**(888)**	**(1,815)**	**455**	**(2,248)**	**(642)**
Net gains/(losses) on investments	11	(222)	138	2,509	**2,425**	**672**
Net income/(expenditure)		**(1,110)**	**(1,677)**	**2,964**	**177**	**30**
Transfer between funds	16, 17	3,039	(3,039)	-	-	-
Application of total return	18	-	1,499	(1,499)	-	-
Net movement in funds for the year		**1,929**	**(3,217)**	**1,465**	**177**	**30**
Balances brought forward at 1 July	19	92,660	7,633	36,399	**136,692**	**136,662**
Balances carried forward at 30 June	**19**	**94,589**	**4,416**	**37,864**	**136,869**	**136,692**

Reference and administrative details

Principal advisors

Bankers

C Hoare & Co	37 Fleet Street, London EC4P 4DQ
HSBC Bank PLC	60 Queen Victoria Street, London EC4N 4TR

External auditor

Crowe U.K. LLP	55 Ludgate Hill, London EC4M 7JW

Internal auditor

Mazars LLP	Tower Bridge House, St Katharine's Way, London E1W 1DD

Solicitors

BDB Pitmans LLP	One Bartholomew Close, London EC1A 7BL
Farrer & Co LLP	66 Lincoln's Inn Fields, London, WC2A 3LH
Veale Wasbrough Vizards LLP	Narrow Quay House, Narrow Quay, Bristol BS1 4QA

Investment managers

JP Morgan Private Bank	60 Victoria Embankment, London EC4Y 0JP

Property development advisors

Lendlease Consulting Ltd	20 Triton Street, Regent's Place, London NW1 3BF

Real estate advisors

Gerald Eve LLP	72 Welbeck Street, London, W1G 0AY

Registered office

The charity's registered office is at 38–43 Lincoln's Inn Fields, London WC2A 3PE.