



Royal College
of Surgeons
of England
ADVANCING SURGICAL CARE



The Royal College of Surgeons of England

Annual report and accounts
2021–22

Charity no. 212808

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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

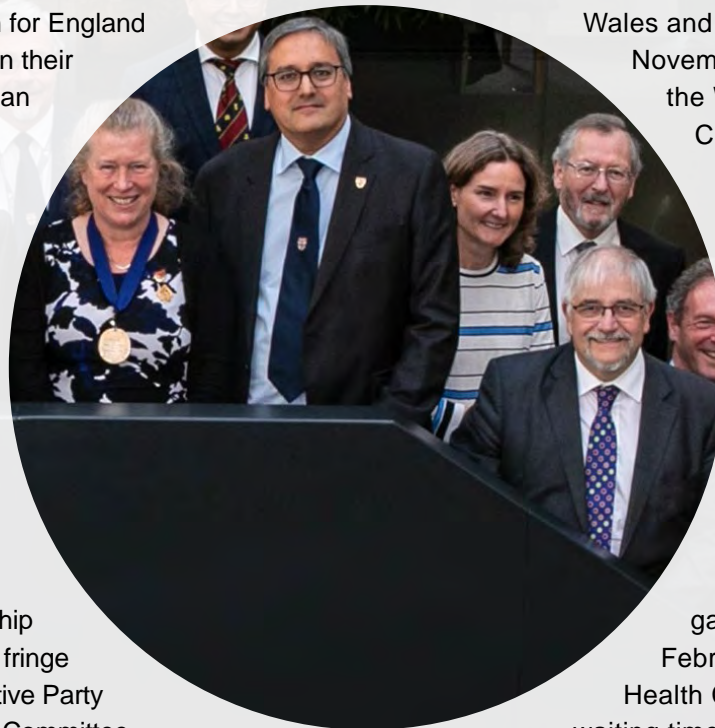
The focus of our influencing work has been on lobbying government for increased investment in surgical resources, specifically capital funding and adoption of the 'surgical hub' model. This strengthened our role as thought leaders and commentators on building surgical capacity, so that surgeons can address 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, Octopus 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.

**In 2021-2022,
we awarded...**

20
one-year
surgical research
fellowships

8
honorary
research
fellowships

12
pump-priming
grants

1st
RCS England
robotics
fellowship

18
intercalated
awards

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

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We launched our
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We work with
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We agreed a
collaboration with
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Global Surgery Policy
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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.



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:

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



- 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.

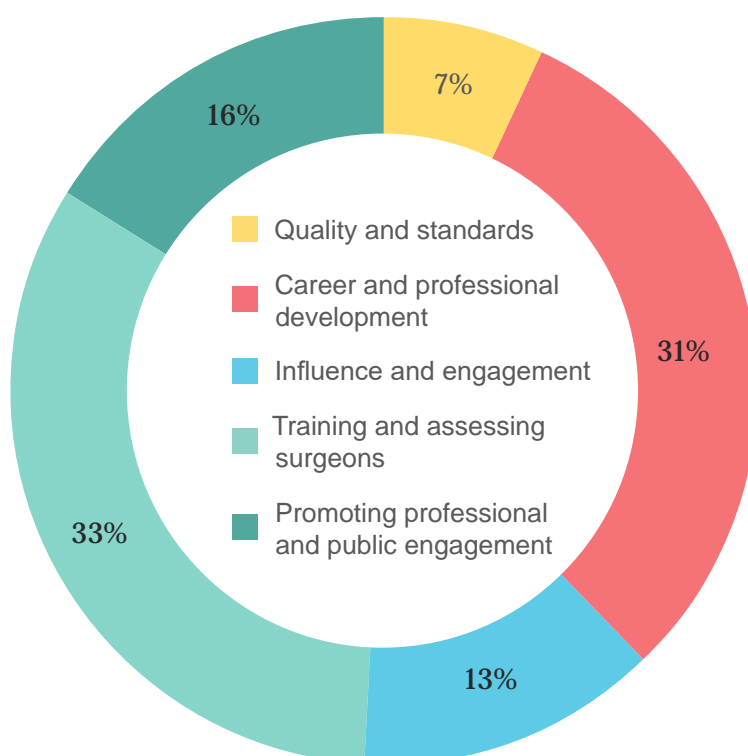
We have expanded our programme of Cutting Edge careers workshops for sixth form and college students, running five during the course of the year with a particular focus on widening participation.

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.

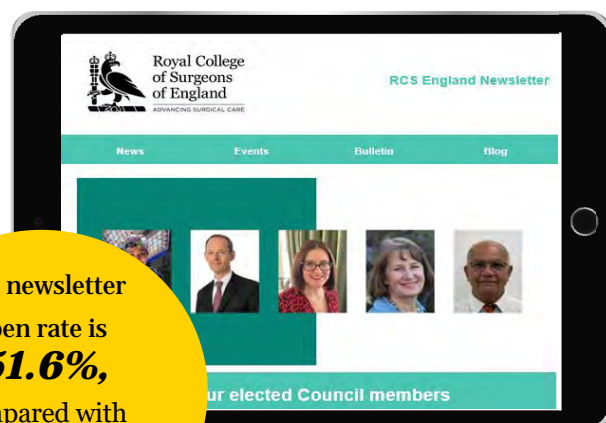
Our programme of events continues to expand. We were delighted to host the first in-person Future Surgery show with our partner CloserStill, which was attended by 2,500 delegates over 2 days. This year we have also hosted a number of in-person and hybrid conferences alongside our programme of webinars, welcoming more than 1,500 attendees, and more than 500 diplomats 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.



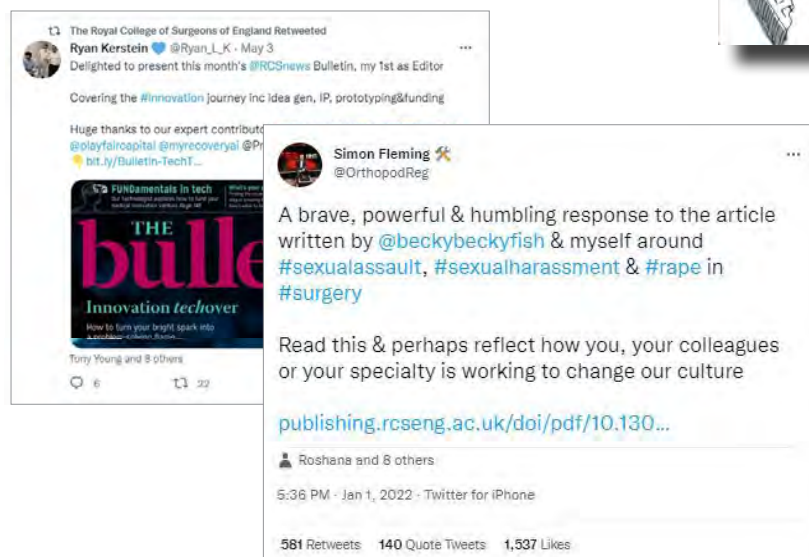
Our newsletter open rate is **51.6%**, compared with the market average of 30%

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

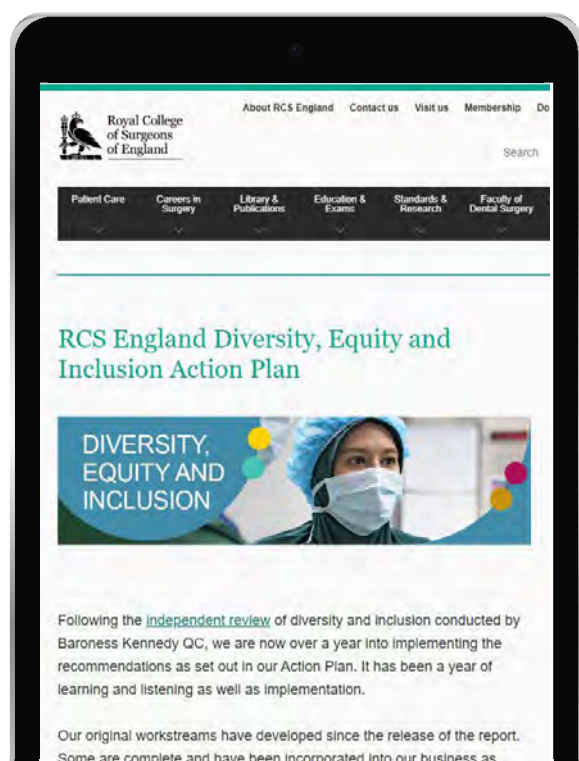
Following the publication early in 2021 of the independent review of diversity, equity and inclusion undertaken by Baroness Helena Kennedy KC, we launched our new five-year strategy in summer 2021 placing diversity, equity and inclusion at its heart and underpinned by our core values of collaboration, 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

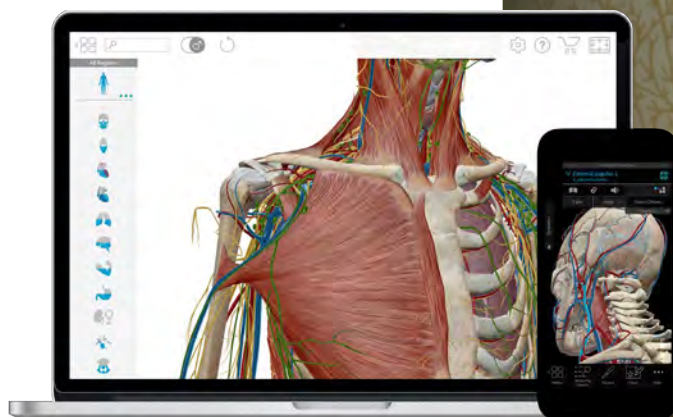
The Museum recommenced services for research and image provision and licencing following the move of the collections into the new building and to various off-site storage facilities. Some 70% of high-value paintings and objects stored with fine art specialists Constantine are due to be returned to Lincoln's 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.

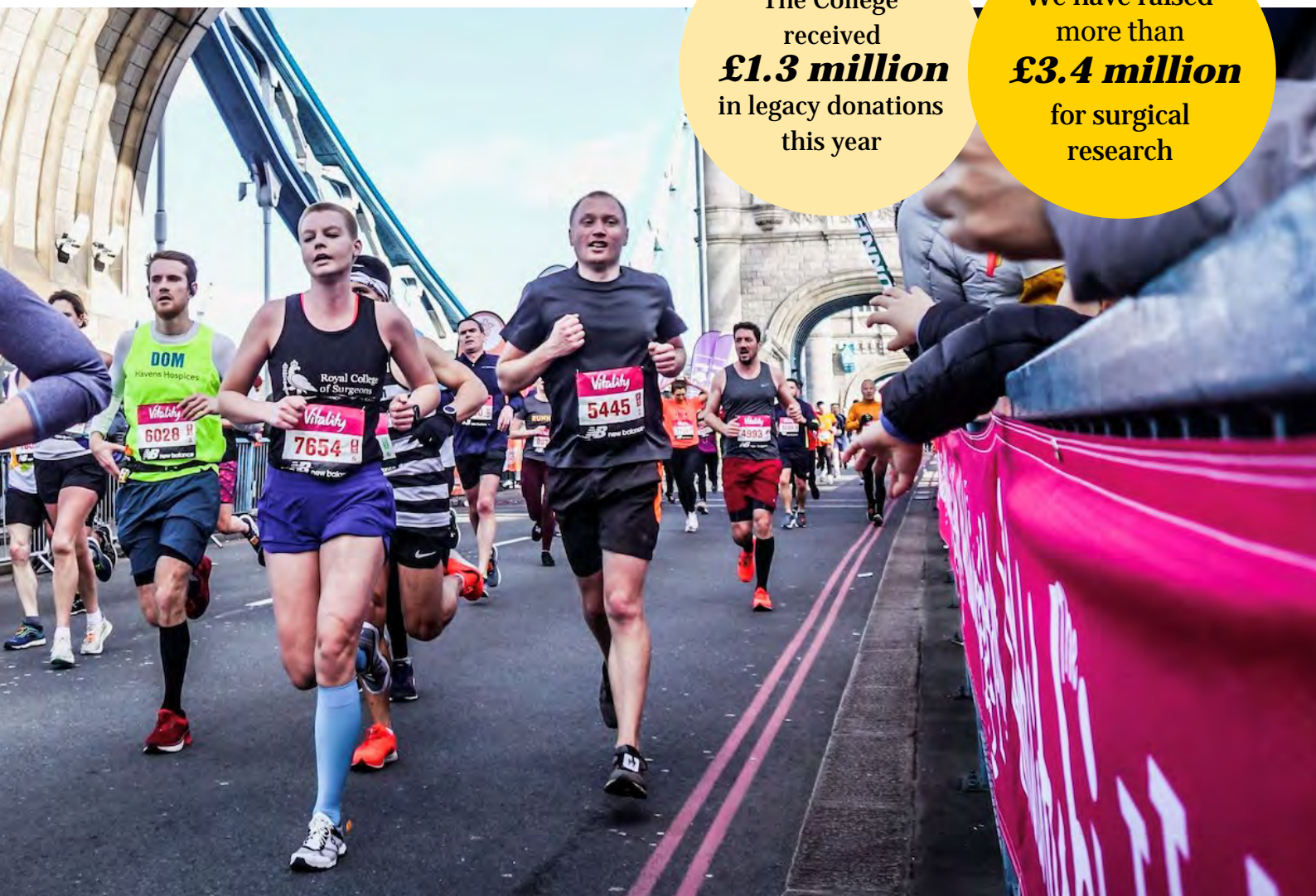
The Fulbright/RCS England scholarships have significantly enhanced research training and established ongoing international collaboration. There is much kudos associated with Fulbright scholarships and, aside from the academic benefits, recipients meet a plethora of science and arts scholars who typically 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)

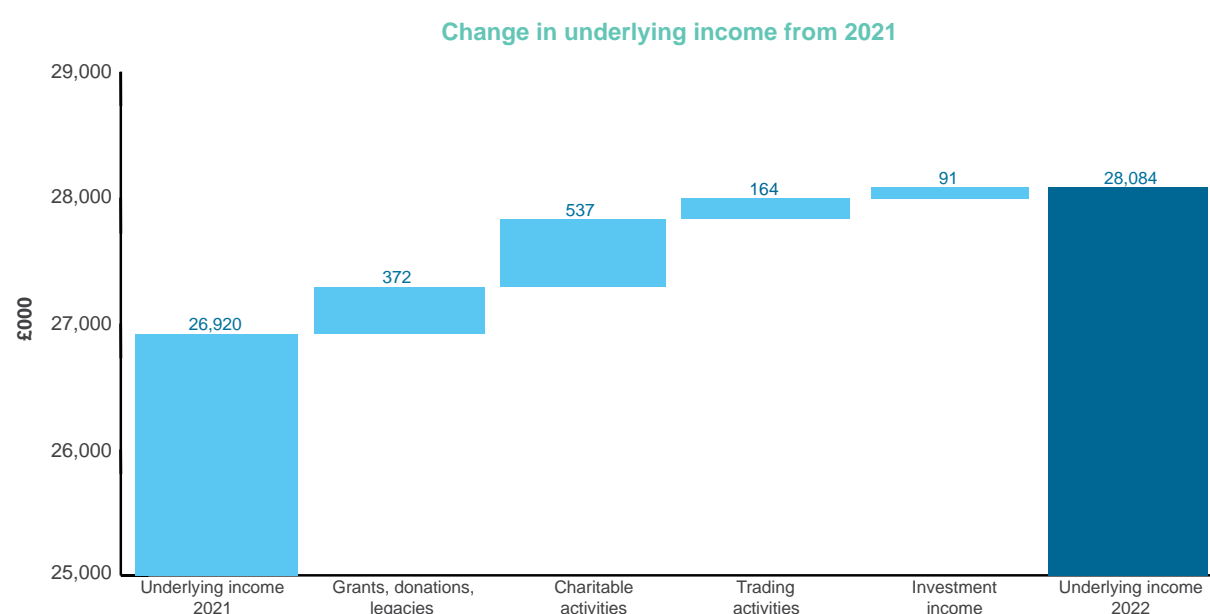
Unrestricted funds have benefitted from a revaluation net gain of £585k on investment property this year, but together with £1.43m of net unrealised losses on the investment portfolio, these funds have now fallen by 5% to £93.6m (2021: £98.6m). Endowed funds have also fallen by 5% to £39.2m. Funds applied 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.

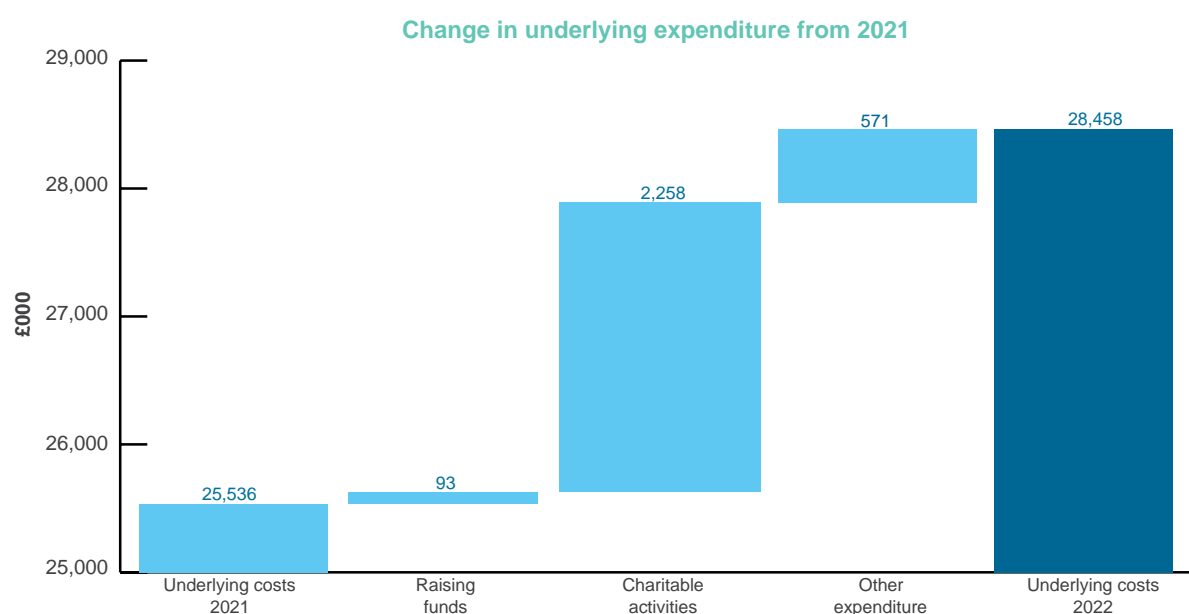
Overall, grants, donations and legacies nudged up to 19% as a share of income (2021: 18%), charitable activities represented 77% of income this year (2021: 79%), investment income is steady at 2% and trading activity contributed 1%.



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
<p>Global pandemic:</p> <p>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.</p>	<ul style="list-style-type: none"> 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.
<p>Financial resilience:</p> <p>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.</p> <p>Safeguarding the charity's assets.</p>	<ul style="list-style-type: none"> 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.
<p>Organisational and building transformation</p>	<ul style="list-style-type: none"> 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.
<p>Meeting regulatory obligations</p>	<ul style="list-style-type: none"> 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.
<p>Separation of the Faculty of General Dental Practice to establish the College of General Dentists</p>	<ul style="list-style-type: none"> The College managed the process well, putting governance and strong project management in place. The separation was completed successfully on 30 July 2021.
<p>The continuing impact of COVID on staff</p>	<ul style="list-style-type: none"> 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 Needle makers
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	Rociale 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 Shapurji 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
<i>Learning and assessment</i>	
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
<i>Research and Quality</i>	
Overall responsibility	Mr T Goodacre
Research Fellowships and Lectureships	Professor P Friend
<i>Global Committee</i>	
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)
<i>Membership Engagement</i>	
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.

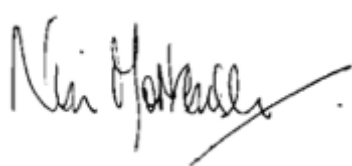
Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the group and of their net incoming/outgoing resources for that period. In preparing these financial statements, the trustees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

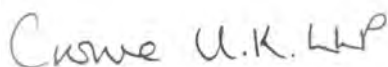
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements 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

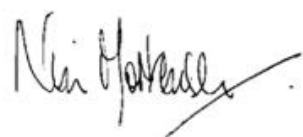
The notes to the financial statements are on [pages 55–86](#).

Consolidated balance sheet as at 30 June 2022

	Notes	Group £000	2022 RCS England £000	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 £000	Restricted funds £000	Endowed funds £000	2022 £000	2021 £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
	£000	£000	£000	£000	£000
Expenditure on					
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 £000	2021 £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	2021
	£000	£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	2021
	Nos.	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	Balance sheet	2022	2021
	£000	£000		£000	£000
Income	126	19			
Expenditure	39	17	Debtors	87	2
Profit before tax	87	2	Creditors: due within 1 year	(87)	(2)
Profits gifted to RCS	(87)	(2)			
Results for the year	–	–	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	Restricted funds	Endowed funds	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	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	Restricted funds	Endowed funds	2021
	£000	£000	£000	£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 £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 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 £000	Unrestricted Discontinued operations £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	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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Solicitors

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Registered Office

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