



Royal College
of Surgeons
of England

ADVANCING SURGICAL CARE

The Royal College of Surgeons of England

Annual Report and Accounts 2022–2023



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President's foreword

I am pleased to present the annual report for 2022–23, having taken over from Professor Neil Mortensen as President in July 2023.

It has been another challenging year for health services across all four nations of the UK, with waiting lists in England now at a record high of 7.74 million. I know from my visits to hospitals across the UK this year that surgical teams are working incredibly hard to reduce waiting lists. However, increased demand, staff shortages, low morale, burnout and industrial action have all made this difficult. We continue to lobby on behalf of our members for better working conditions and increased surgical capacity.

In January, Professor Neil Mortensen took part in the Prime Minister's NHS Recovery Forum at 10 Downing Street, its primary focus being to develop innovative and pragmatic ways to reduce waiting lists. There have also been meetings with Will Quince MP, Minister of State for Health and the Office of the Shadow Secretary of State for Health, Wes Streeting MP. We continue to convene quarterly meetings with Health Select Committee Chair, Steve Brine MP. In Wales, we meet regularly with the Minister for Health and Social Services, Baroness Morgan of Ely. Professor Mark Taylor, our Director in Northern Ireland, gave evidence on waiting lists in May 2023 at the Northern Ireland Affairs Select Committee in Westminster. We have also made a submission to Module 3 of the UK COVID-19 Inquiry.

I am delighted to say that in October 2022, we launched the National Cancer Audit Collaborating Centre (NATCAN), a new national centre of excellence to strengthen NHS cancer services by looking at treatments and patient outcomes across the country. The contract award for this centre to our College reinforces our position as a leading organisation for advancing surgical care. Initially covering audits in kidney cancer, non-Hodgkin lymphoma, ovarian cancer, pancreatic cancer and primary and metastatic breast cancer, NATCAN is now integrating the bowel, prostate and oesophagogastric cancer audits with exciting future work planned.

Turning to our work internationally, the Global Surgery Policy Unit, which launched in 2021, has been successful in securing funding to conduct an 18-month pilot programme, SPACES-ECHO, "Somaliland Paediatric Access and Clinical Excellence in Surgery", to strengthen paediatric surgical care. Somaliland is characterised by a burdensome level of unmet surgical need, disproportionately affecting children, so this is vital work.

As your new President, I remain committed to making the College and surgery the welcoming and inclusive place it needs to be





exam and a strong plan for next steps. At the end of this financial year, we launched our new strategy for Specialty and Associate Specialist (SAS) surgeons and a raft of online resources for this critical and much-relied-upon group of doctors and dentists. We have also supported the Working Party on Sexual Misconduct in Surgery in launching their survey results and the associated report, and we are working on the College's actions in response.

I am in no doubt that the environment our members, and particularly surgical trainees, are working in right now is very challenging. With much uncertainty, a heavy cloud hangs over the UK's health services. However, I hope our annual review will give cause for hope. It is a snapshot of the excellent work that our members, fellows and staff are doing to improve surgery and the lives of surgeons, so that we can continue to provide our patients with the best possible care.

A handwritten signature in black ink, appearing to be 'T Mitchell'.

Tim Mitchell
President

This year has also seen us launch a three-year programme to accelerate the safe integration of robotic assisted surgery across UK healthcare with major activity delivered across our four streams of research: training, data and patient, public and policy awareness. There is enormous interest in using robotics for surgery from the media and the public. The government is also pushing robotics as a solution to long waiting lists. It is important that as the use of robotic assisted surgery expands, it is underpinned by a clear evidence base for better patient outcomes, and robust standards to protect patients.

As your new President, I remain committed to making the College and surgery the welcoming and inclusive place it needs to be. We continue to make progress on achieving the 16 recommendations put to us in the Kennedy review. To ensure it better represents our membership, reforms to the Council were voted through earlier this year. We have also successfully increased the diversity of our Council and committees through targeted outreach. We published our report on differential attainment in the MRCS exams, which has given us a clear quantitative analysis of the effect of protected characteristics and socio-economic factors on candidate performance in this MRCS



President Tim Mitchell with Professor Vishy Mahadevan and *Bulletin* specialty editor Deepak Batura at the *Bulletin's* 40th anniversary event.

Chief Executive's statement

Two years into our ambitious five-year strategy, Changing the Face of Surgery, with our vision of ensuring “excellent surgical care for everyone”, we are making good progress with our five strategic aims of leading the profession, improving practice, engaging our membership, embracing diversity and transforming our college.

In line with our priorities to lead the profession and improve practice we remained the leading voice for surgery with policy makers and in the media, as the President has reflected in his foreword.

We continued to focus on implementing the recommendations of the independent review on diversity and inclusion this year and the addition of LGBTQ+ and Race, Ethnicity and Belief work streams. In April, Council agreed to a suite of reforms to its make-up. We also developed proposals to begin to tackle differential attainment in exams, a strategy to support Specialty and Associate Specialist (SAS) surgeons, continued our Parents in Surgery project and developed a Mentorship Toolkit. In addition, we funded two research fellowships in Diversity, Equity and Inclusion in Surgery.

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

Our digital transformation continues to progress, focused on three key areas: people and culture, strategy and measurement, and improved user experience. Our vision is to create a culture of collaboration, innovation and agility, enabling us to leverage digital technology to its full potential for the benefit of our membership and their patients. We will practise data-informed decision-making, improve business efficiency and enhance the user experience.

The reopening of the Hunterian Museum in spring 2023 was a landmark occasion, signifying the completion of our transformed premises at Lincoln's Inn Fields. The museum has been beautifully reimagined and showcases the collection that was created by John Hunter, founder of scientific surgery, tracing the history of surgery from ancient times to the latest robot-assisted operations. Some 30,000 people visited the museum in the first three and a half weeks of opening, and this is testament to its enduring interest, not only to our profession, but also the wider public.

The Faculty of Dental Surgery has also successfully continued its focus on children's oral health and inequalities.

Financially we achieved another healthy operating surplus, a much better result than we had initially anticipated, and we have continued to see growth in our UK and international membership. However, we cannot be complacent and much remains to be done to ensure we can continue to weather the storm of the national and international economic challenges.





The past year sadly brought the loss of two much admired past presidents of the College. Dame Clare Marx (2014–17), who died in November 2022 having bravely fought a diagnosis of pancreatic cancer, has left a lasting legacy at both the College and the General Medical Council, where she was Chair. Professor Sir Peter Morris (2001–04), who died in October 2022, pioneered transplant surgery and was one of the brilliant surgeons of his generation.

In welcoming our new President, may I also extend my sincere thanks to Professor Neil Mortensen, who completed his three-year tenure as President in July 2023. His clear-sighted leadership and unwavering support helped to steer the College through the challenges of COVID-19 and drive forward our priority aim to promote greater diversity.

Finally, I would like to thank our exceptional staff team who have wholeheartedly embraced our ambitious new strategy, working collaboratively and with determination to progress the vision to transform your College.

Andrew Reed
Chief Executive

Trustees' Report

The trustees of the Royal College of Surgeons of England (RCS England) are pleased to present their report for the year ended 30 June 2023.

Our objects and aims

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

Our mission

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

Our strategic aims

We will do this by:



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



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



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



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



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

Our core values

Our values are:



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



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



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

Working for the public benefit

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

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

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



Simon Murray
Business Manager A & EM
KARL STORZ ENDOSCOPE



What we have achieved this year

Leading our profession

The focus of our influencing work has been on lobbying government for increased investment in surgical resources and providing pragmatic solutions to address increased waiting lists. We are focused on helping surgeons to address the record waiting lists that have increased over the past two years.

Supporting our surgeons

We are proud to support our next generation of surgeons. In August, we secured the contract to establish a new national centre called the National Cancer Audit Collaborating Centre (NATCAN), which includes five new national audits for breast, ovarian, pancreatic, non-Hodgkin lymphoma and renal cancer. In November, we held the Future of Surgery Conference which brought together surgeons, trainees, anaesthetists and the surgical care team.

We are continuing to support the work of the Working Party on Sexual Misconduct in Surgery. In May, we attended a roundtable to discuss the findings of the soon to be published survey on the surgical workforce.

Influencing the agenda

Our influencing work continues to be an important element of the College's work. In January, former President Professor Neil Mortensen was invited to

participate in the Prime Minister's NHS Recovery Forum at 10 Downing Street. The aim of the Forum was to provide innovative and pragmatic solutions to specific NHS England challenges including getting surgeons back into theatres and changes to NHS pensions. Meetings were held with Will Quince MP, Minister of State for Health and the Office of the Shadow Secretary of State for Health, Wes Streeting MP.

Regular meetings were convened and led by the College. Meetings with the Health Select Committee Chair, Steve Brine MP, and several College Presidents took place in January, April and July, and discussed health inequalities, workforce issues and data collection. Tim Mitchell attended the Elective Care Engagement Forum and discussed NHS England's Elective Recovery Programme and the target to reduce the number of patients waiting more than 18 months for treatment.

We also attended the party conferences, an important part of the political calendar. In partnership with Versus Arthritis and the Independent Healthcare Providers Network, we held a fringe party conference event where former President Professor Neil Mortensen spoke on the waiting times backlog. Mr Matthew Garrett, former Dean of the Faculty of Dental Surgery (FDS), attended the Labour Party Conference in Liverpool and discussed child health inequalities with Shadow Secretary of State, Wes Streeting. We also attended private roundtables hosted by the General Medical Council (GMC) and the Academy of Medical Royal Colleges, putting forward the key issues impacting surgeons.



Participants in our Surgical Skills competition in April 2023.

The voice of surgery

We have been the pre-eminent voice of surgery in the UK media throughout the year: high-profile interviews included former College President Professor Neil Mortensen speaking to *Sky News* in July about the Health and Social Care Committee's report "Workforce: recruitment, training and retention", saying that the health service was still recovering from the pandemic. Professor Mortensen was interviewed on *BBC News* after the health secretary announced the new health plan in the House of Commons in September. Also in September, Mr Matthew Garrett, former Dean of FDS, was quoted in the dental press responding to NHS tooth decay data – the main reason children aged five to nine are admitted to hospital. In March, Senior Vice-President Professor Fiona Myint warned in *The i* newspaper that continuing to reduce the backlog of over seven million patients waiting for treatment would be "difficult and slow", calling on the government to publish its Workforce Plan. *The Daily Telegraph* also interviewed Professor Mortensen as he was preparing to finish his term in office.

The media featured how we have long campaigned for innovations including surgical hubs to be harnessed to improve the NHS and help tackle the record waiting lists.



Senior Vice-President Professor Fiona Myint told *The Times*: "Every extra day of the delay on the strategy to increase the number of doctors and nurses will make slashing record hospital waiting lists all the more difficult, despite the Herculean effort by NHS staff."

In May, we secured more than 60 items of media coverage about the reopening of the Hunterian Museum. Several BBC News programmes, national newspapers, *The Lancet*, *Nature*, *Museums Journal* and the *New Scientist* were among those who gave positive reviews.



Guest speakers Professor Dame Averil Mansfield (far left), Professor Rhea Liang (second from right) and Dr Liz O'Riordan (right) at our International Women's Day Conference in March 2023.



Professor Neil Mortensen with First Minister of Wales, Mark Drakeford and Director in Wales Professor Jon Barry (left); Presidential visit to Wales.

Devolved nations

Coordinated campaigns delivered in Wales and Northern Ireland focused on expanding surgical hub provision and the workforce. In August, we met the four Surgical College Presidents in Belfast at the invitation of the Department of Health in Northern Ireland. The Northern Ireland Chief Medical Officer, Professor Sir Michael McBride convened an all-day intercollegiate meeting to discuss surgical challenges in Northern Ireland and it was a highly successful engagement for all involved. Northern Ireland's waiting times for elective care remain extremely challenging and our Regional Director is often called upon to highlight the need for greater resources in addressing the huge waiting lists. In May 2023, Professor Mark Taylor in his role as Director of the College in Northern Ireland gave evidence to the Northern Ireland Affairs Select Committee in Westminster outlining the scale of the health service problems in the context of a difficult financial budgetary landscape. In December, we met the First Minister of Wales, Mark Drakeford, on a Presidential visit. Surgeons from across Wales attended the Celebration of Surgery event, to share their experiences of how surgical teams are working, the successes and to discuss challenges in the Welsh NHS. There are currently nearly 750,000 "patient pathways" on the waiting list in Wales – which equates to nearly one-quarter of the population waiting for treatment. Director in Wales, Professor Jon Barry is very active in the media and in his meetings with clinical, government and academic stakeholders in pushing for the changes needed to help bring waiting lists down.

Improving practice

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

Setting standards and providing advice on good surgical practice

We maintained a diverse portfolio of good practice guidance with more than 20 separate resources providing detailed advice on key legal, moral, ethical and practical aspects of working in surgery. Our newly published *Robotic Assisted Surgery: a pathway to the future good*

ROBOTIC-ASSISTED SURGERY: A PATHWAY TO THE FUTURE
A guide to good practice
July 2023

Practitioner	Surgeon	SAIC
A surgeon who has already performed more than 100 robotic procedures and is registered as a robotic surgeon	to ensure appropriate safety and progression	Assist with all aspects of training including simulation and performing components of the surgery
Attend all surgical cases to ensure appropriate safety and progression	Assess the surgeon and the surgical team at the start of the surgery	Keep a public register of RAS (Great Britain and Europe)
Must derive a mechanism of temporary regulation for the robotic surgeon on the advice of the medical director of a hospital trust	Develop in concert with surgical type colleges and surgical associations a national register of patients undergoing RAS	Develop in concert with surgical type colleges and surgical associations a national register of patients undergoing RAS

4. Developing the robotic surgical team

Safe and successful surgery always depends on effective teamwork of the wider surgical team, with every member contributing and playing a part in a complex division of labour. When it comes to robotic surgery, the role of the surgeon assistant changes and there is a different distribution of tasks among team members, different professional jurisdictions and a different way of coordinating the engaged workforce, including the need for the assistant surgeon to communicate information to the operating surgeon who may not have visual contact with the patient. It is imperative that there is a clear understanding of each member's respective role and responsibilities, and a defined framework for verbal and non-verbal communication between members of the surgical team who may not be close to each other.

Hospitals should therefore focus on more than just training surgeons or individual members of the surgical team in isolation, but make sure for the training of whole teams, including team evaluation processes and assessment benchmarks.

Practice feedback. Learners should aim to restrict training cases to those with a 5:1 ratio of 1:1.

5.6 OTHER KEY CONSIDERATIONS

- Selection of cases:** There must be careful consideration around which cases should be selected for the initial cases of robotic surgery. We recommend learners start with easier cases and non-severely comorbid patients before gradually stepping up to more complex cases. High body mass index (BMI) is one of the main determinants of surgical difficulty in robotic surgery, as intraoperative fat tends to obscure normal anatomy and compounds the challenge of lack of tactile feedback. Learners should aim to restrict training cases to those with a 5:1 ratio of 1:1.
- Consent:** The College's guide 'Consent - Supporter Decision-Making' sets out the information that surgeons should provide to patients as part of the consent process. This includes the purpose and expected benefit of the procedure, what it involves, the likelihood of success, the material risks of the procedure and the alternative options. Even if a surgeon cannot offer all alternatives, they should be familiar enough with the relevant literature to refer the patient to the right

practice guide provides an extensive new addition to this portfolio with a detailed framework of advice to support the safe and sustainable expansion of robotic assisted surgery in the UK. Having contributed to the GMC's new edition *Good Medical Practice* in 2022-23, we will now update our flagship standards and guidance document *Good Surgical Practice* in 2024.

Reviewing surgical practice to support patient safety
We undertook important work to assure and improve the quality and safety of patient care, completing 31 individual, service and clinical record reviews for hospitals across the UK.

Driving quality improvement

Our flagship quality improvement initiatives improving care for patients with acute gallstone disease and hand trauma continued to make impressive progress. We concluded CholeQuIC3 and evaluated the impact of this leading national quality improvement project. We also recruited a number of new hospitals to take part in CholeQuIC4, launching in September 2024.

We were delighted to celebrate our successful conclusion of "HandsFirst", our new quality improvement collaborative improving care for patients experiencing hand trauma, which recruited 25 participant hospitals and ran from autumn 2021 to spring 2023. Participant sites achieved hugely impressive improvements to the patient care and wider services that they provided, and have laid the foundations for what we anticipate will be an even more successful second phase of the project, HandsFirst2, with a number of sites now recruited and ready to commence this important work.

We developed proposals for new improvement collaboratives in a range of areas including ileostomy closure, diabetes, acute acoustic trauma and improving the services available to support surgeons after adverse events, which we hope will progress to launching across 2023-24.

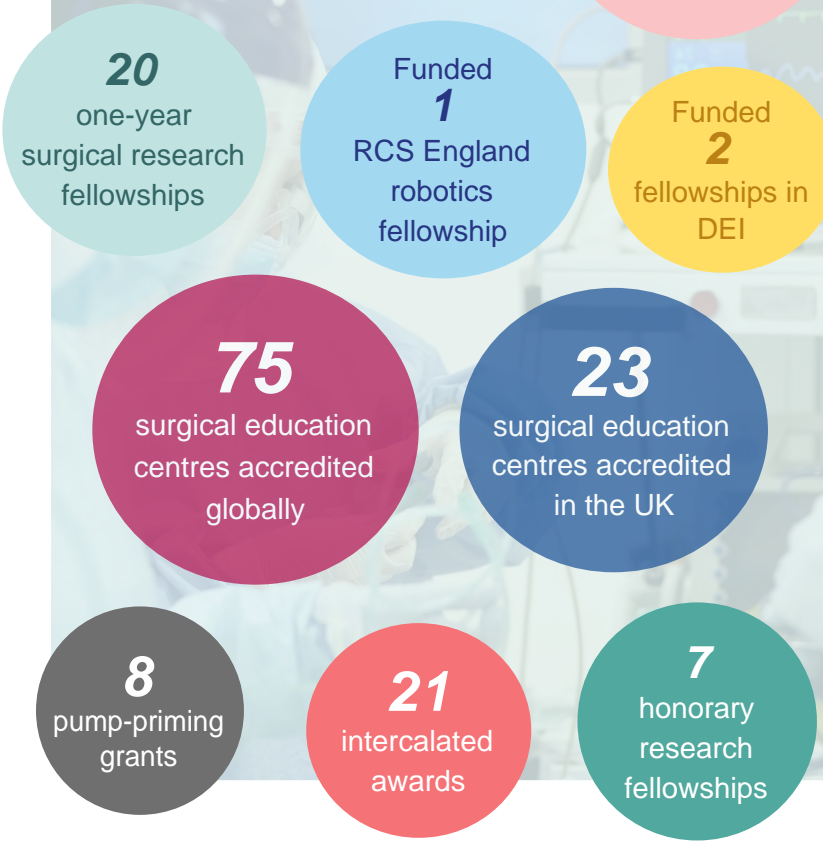
25 hospitals
ran the HandsFirst program for patients experiencing hand trauma from autumn 2021 to spring 2023

Quality Improvement

HandsFirst
QI Collaborative



In 2022-2023, we awarded...



Accrediting and assuring excellence

Our accreditation and quality assurance team has had an extremely successful year, now providing what we believe to be the biggest surgical education accreditation scheme in the world. We have accredited 23 surgical education centres across the UK and overall accredit 75 surgical education centres globally. We accredit 10 surgical education courses and last year awarded CPD for 292 surgical education events. Our senior clinical fellowships had its busiest year yet, with 30 new senior clinical fellowships approved and over 120 approved by the scheme overall.

Facilitating research

We continue to sustain a thriving programme of research fellowships and wider awards, thanks to the continuing support of our extremely generous and long-standing funding partners. During 2022-23, we awarded 20 one-year surgical research fellowships and 7 honorary research fellowships. The College funded a robotics fellowship, and two research fellowships in Diversity, Equity and Inclusion in Surgery.

We awarded 8 pump-priming grants, 21 intercalated awards and several other grants including travel awards,

all made possible by the generous support of our funding partners and the College's Research endowed funds.

Surgical trials

We continue to support nine ground-breaking surgical trials centres, nine chairs of surgical trials and over 25 surgical specialty leads, each working hard to drive excellence in surgical trials across the UK. We have also continued to support a COVID-19 Recovery Research Group that seeks to mitigate the impact of COVID-19 on the delivery of surgical care.

Clinical effectiveness

The Clinical Effectiveness Unit (CEU) works closely with the surgical specialty associations to conduct large-scale studies into the quality of surgical care. Its portfolio of work includes national clinical audits on breast, bowel, prostate, lung and oesophagogastric cancer, as well as national studies of vascular surgery, emergency bowel surgery and the care received by children with cleft lip and palate. These studies publish annual "State of the Nation" reports that are used by NHS services, healthcare regulators and policy makers to improve the quality of care for patients.

In October 2022, we were delighted to launch the NATCAN, a new national centre of excellence with the aim of strengthening NHS cancer services by looking at treatments and patient outcomes across the country.

The centre has been commissioned for an initial three-year period by the Healthcare Quality Improvement Partnership, on behalf of NHS England and the Welsh government, and is based within the CEU. NATCAN brings national cancer audits together in one place, enabling us to share best practice and clinical excellence. Initially covering audits in kidney cancer, non-Hodgkin lymphoma, ovarian cancer, pancreatic cancer and primary and metastatic breast cancer, NATCAN is also now integrating the bowel, prostate and oesophagogastric cancer audits with exciting future work planned.

Leading the future of surgery

In summer 2022, we were delighted to launch the new RCS England Future of Surgery Innovation Hub and to run an exciting programme of workshops and other activities for surgical team members interested in navigating the complex pathway from "great idea" to new product or service that supports healthcare improvement. The hub offers a range of in-person and online activities and resources, and connects surgical team members with industry, as well those interested in innovation in surgery more broadly. An exciting programme for 2023–24 is already underway.

This year also saw the launch of our important new three-year programme to accelerate the safe integration of robotic assisted surgery across UK healthcare with major activity being delivered across our four streams of research: training, data and patient, public and policy awareness.



Learning

Our learning offer is central to our strategic aims, supporting our members and meeting the current and future needs of the surgical workforce. Highlights of this year have included the following:

- We refreshed our learning strategic aims and enablers, continuing to focus on leading and driving surgical education for the profession, delivering high-quality learning for our members and the wider profession, and bringing people, collaboration and networks more explicitly into the centre of our strategy.
- We delivered training to 9,077 participants on 765 courses, working with 152 centres. Our 4,000+ volunteer faculty members are the essential backbone without whom this would not be possible. We have seen particular growth within our international course delivery this year.
- In the second year since opening, our team of dedicated staff and faculty in the Bjorn Saven Centre for Surgical Education in our London home, delivered 136 courses to 2,028 participants.
- Our digital learning offer continues to develop to meet our members' needs; this year, alongside providing 502 people with PGCert modules, we delivered 17 virtual classrooms for Professional Behaviours in Aesthetic Surgery and 4 virtual MRCS OSCE preparation sessions as part of our developing revision offer.
- We have developed and started to launch a series of new modules on leadership skills and human factors and will continue to release these over the coming year.
- We piloted new offers this year including a hybrid Training the Trainers course, offering e-learning, one-to-one virtual sessions and a face-to-face day, with a significantly increased discount for members and an Innovation Course in collaboration with the Innovation Hub and the Association of Surgeons in Training.
- We are proceeding with a tender for our new 360 extended reality immersive space, which will be based in the Bjorn Saven Centre and are developing a suite of content for immersive learning environments to support our technology-enhanced learning vision and lead the way in surgical education.
- Our National Emerging Leaders programme continues to support and equip women and non-binary people with tools, practical support, networks and confidence to apply for leadership roles within the College and wider surgical and dental professions. This year we supported 25 people across two years of the programme.

9,077
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with **152** centres

502
people provided
with PGCert
modules

136
courses delivered
to **2,028** participants
by the Bjorn Saven
Centre

4,000+
volunteer faculty
members

17
virtual classrooms
for Professional
Behaviours in
Aesthetic Surgery

4
virtual MRCS
OSCE preparation
sessions

25
people supported
across two years on
our National
Emerging Leaders
Programme

Global engagement

The College continues to develop its exciting global agenda through its strategic collaborations and training schemes.

Global Surgery Policy Unit

Established in September 2021, the Global Surgery Policy Unit (GSPU) is a unique and strategic partnership with the London School of Economics and Political Science (LSE) that aims to advance global public health, surgical, obstetric and anaesthesia care, with a particular focus on low- and middle-income countries. Building on the College's work with stakeholders to produce Somaliland's first National Surgical, Obstetric and Anaesthesia Plan, the GSPU has been successful in securing funding to conduct an 18-month pilot programme, SPACES-ECHO, "Somaliland Paediatric Access and Clinical Excellence in Surgery", to strengthen paediatric surgical care through the adoption of the "Expanding Community Healthcare Outcomes" (ECHO™) model for sustainable community-based tele-learning, knowledge transfer and exchange.

Somaliland is characterised by a burdensome level of unmet surgical need, which disproportionately affects children. Although 256,000 children nationally require surgical care, only 62.4 surgical procedures per 100,000 children are performed annually. As a result of these deficiencies, 11% of all children in Somaliland die before reaching five years of age. By connecting specialist and non-specialist providers of paediatric surgical care, this tele-health system will contribute to capacity-building

By connecting specialist and non-specialist providers of paediatric surgical care, this tele-health system will contribute to capacity-building efforts among Somaliland's existing healthcare workforce and support the country's National Vision 2030

The GSPU has been successful in securing funding to conduct an 18-month programme, SPACES-ECHO

efforts among Somaliland's existing healthcare workforce and support the country's National Vision 2030. The ECHO model will be leveraged to increase the knowledge and skills of the non-surgically trained healthcare workforce and improve clinical outcomes for children suffering from burns and pyloric stenosis.

Alongside the LSE (lead partner) and the College, local programme partners include the Ministry of Health Development of the Republic of Somaliland, Amoud University and Mohamed Aden Sheikh Children's Hospital in Hargeisa.



Humanitarian Surgery initiative

The Humanitarian Surgery initiative is an international collaboration funded by the UK Humanitarian Innovation Hub, established to explore the potential role and contribution of technology in building humanitarian surgical capacity, resilience and preparedness in low-resource settings.

The College launched the “Surgical Voices from the Global South” programme, a series of webinars focused on exploring, sharing and amplifying key issues and experiences of delivering surgical, anaesthesia and trauma care, as told by those who live and work in the Global South.

Organised and facilitated by its Humanitarian Surgery Innovation Fellows, the webinars covered a range of topics including trauma care in Africa; surgical challenges arising from the conflict in Yemen; resilience humanitarianism; and civilian–military healthcare integration. The webinars were highly successful with more than 2,300 participants registered or attending from around the world.

International Surgical Training Programme

The International Surgical Training Programme (ISTP) and GMC sponsorship scheme has continued to facilitate new training placements for international medical graduates in NHS trusts across the country. 48 international medical graduates were matched and placed in ISTP training posts during the year. In total, 73% of these placements were made in trauma and orthopaedics, general surgery and neurosurgery and 68% were made in three regions: East of England, Yorkshire and The Humber, and London. In relation to the College’s GMC sponsorship scheme, 51 overseas surgeons have been sponsored by the College to the GMC medical register during the year. Almost 50% of these doctors were in the trauma and orthopaedics and general surgery specialties.

Assessment

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

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



We have re-established a full programme of international activity with our surgical examinations, reflecting unprecedented candidate demand following the successful implementation of test centre activity for written assessment elements. We continue to work to ensure that our international presence can play the important role of raising standards while being delivered in the most sustainable way possible.

Regarding our dental activity, we have gained regulatory approval for our relaunched licencing examination and are seeking to develop capacity to accommodate considerable demand for an activity that has such a demonstrable role for the profession. This is part of a broader process of reviewing our dental examinations offer to ensure that this serves our organisational aims, and those of the broader professional context, in a proportionate and efficient way.

Across all of our assessment activity, we continue to work to ensure that all candidates can perform to their full potential. We have published our initial report on differential attainment in surgical examinations, which establishes a number of key areas of future work to address the attainment gap in practice. We will apply the principles behind specific initiatives, from candidate information and guidance to increased diversity on examiner panels, to all of our assessment activity to ensure that this reflects a fair and inclusive environment for all.

Workforce and training

The Joint Committee on Surgical Training (JCST), which is hosted by RCS England on behalf of all four surgical Royal Colleges in the UK and Ireland, enrolled 369 new specialty trainees (excludes core trainees), recommended 630 trainees for certification (including 36 in Ireland), evaluated 220 applications and reviews for the Certificate of Eligibility for Specialist Registration (CESR), and worked on 12 CESR appeals on behalf of the GMC during the 2022–23 financial year.

The JCST continued to push for surgical trainees to be included in every single case to ensure they progress through training with the relevant skills and achieve the competencies required by the Certificate of Completion of Training (CCT) without any additional delays. Although surgical training showed signs of recovering, eLogbook data still showed that progress has been slower than expected and numbers are yet to achieve pre-pandemic levels. The JCST worked very closely with the statutory education bodies, the GMC, the Confederation of Postgraduate Schools of Surgery and trainee associations (Association of Surgeons in Training and British Orthopaedic Trainee Association) to ensure both trainees and trainers were supported.

The period 2022–23 was also a key year in terms of embedding the new outcomes-based curricula and ensuring both trainees and trainers feel confident and use the new tools and assessment as is expected. A huge amount of work went into producing new guidance and FAQs, and delivering webinars/events to support those delivering the new curricula. Work was also ongoing to evaluate the new curricula and report to the GMC.

The GMC, following a request from UK Medical Education Reference Group, asked the JCST to review the core surgery curriculum with the aim of creating a true pluripotent core surgery curriculum. The Core Surgery Training Advisory Committee and its members, with senior JCST clinicians and colleagues, worked on a proposal that was out for consultation at the end of July 2023.

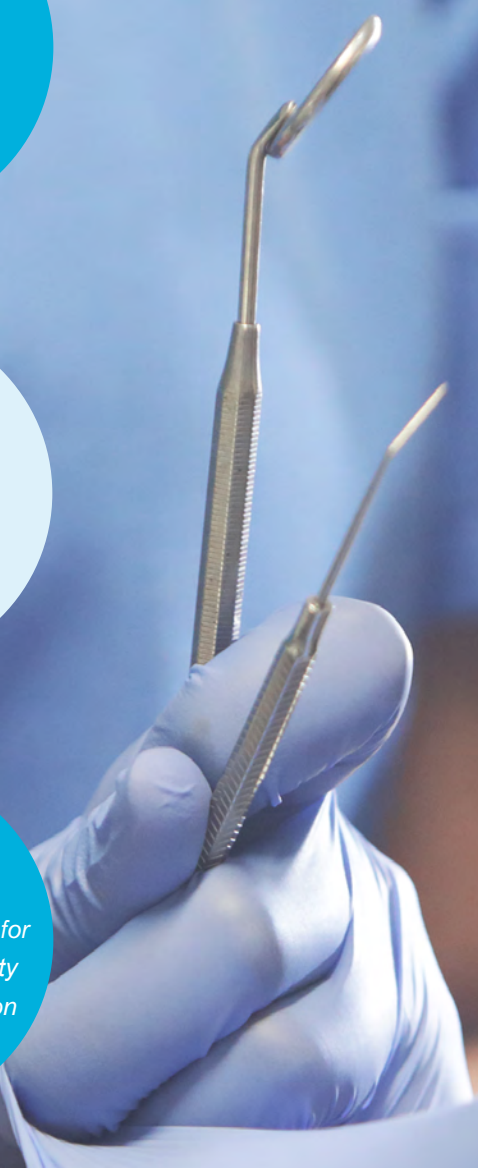
The JCST's regional specialty reports, which come under the JCST's quality work, were completed and circulated to all the relevant stakeholders, including postgraduate deans and the Confederation of Postgraduate Schools of Surgery. The sixth annual JCST Trainee Survey report was also published here. The JCST's biennial Trainer Survey was live during the summer and a report will be published in due course – previous reports are available here.

Following legislative changes due to be implemented from 30 November 2023, the standard for CESR will change from “equivalence to a CCT” to “requiring an applicant to demonstrate knowledge, skills, and experience for GP or specialist practice in the UK”. The JCST, with the GMC, has engaged in a huge amount of work to update the Specialty Specific Guidance for all ten surgical specialties.

The JCST
enrolled
369
new specialty
trainees

recommended
630
trainees for
certification

evaluated
220
applications and reviews for
the Certificate of Eligibility
for Specialist Registration
(CESR)



JCST
Joint Committee on Surgical Training

JCST Trainee Survey Annual Report – 2020/21 and 2021/22

JCST
Joint Committee on Surgical Training

Second Biennial Report of the JCST Trainer Survey

JCST
Joint Committee on Surgical Training

Introduction

The JCST's Quality Assurance Group, in conjunction with the Schools of Surgery and Specialty Advisory Committees (SACs), has developed a trainee training across the UK. The survey, introduced in 2021, aims to monitor the quality of training placement Quality Indicators (QIs). This survey report is for trainees.

The QIs and survey questions are subject to review by the committee of the JCST, with a specific focus on multi-specialty, Core Surgical Training and the Training in the QIs are available on the JCST website with updates at <https://www.jcst.org/quality-assurance/quality-indicators> applicable to all surgical training posts, both specialty to each specialty follow the generic section. In 2021, aligns with new curricula. The timing of the 2020/21 & 2021/22 QIs.

Survey overview

The trainee survey has 31 (2020/21) or 32 (2021/22) additional questions for each surgical specialty, less 1 question for the core surgery specialty.

Trainees are invited to complete one survey per end Surgical Curriculum Programme (SCP) – the surgical survey reports is available via the SCP to Heads of St SAC Chairs, SAC QA Leads and SAC Liaison Members assurance of surgical training.

The reporting period for each 'survey year' relates to October for most surgical trainees.

Inclusion criteria –

- Trainees in the UK (unaccredited core and specialist SCP, 2020-21 placement start date 1 August before the end of October 2021); 2021-22 - 1 2022 (survey completed before the end of 31 October) Appointments for Training, Fixed-term Special out of programme trainees (e.g. Interface Fit when they register a 'core' or specialty trainee).

Introduction

JCST's Quality Assurance Group, in conjunction with the Schools of Surgery and Specialty Advisory Committees (SACs), has developed a survey to explore topics of particular interest to surgical trainees. We report on the 2021 survey, which follows on from a 2019 survey and pilot (2016 & 2017).

Survey overview

The survey had 24 questions covering the themes: General Information, Personal Experience/ Training, Support for the Role and Specific Training Activities (see Appendix A). The objectives of the survey were:

- To find out about the successes and difficulties of being an Assigned Educational Supervisor (AES).
- To report on good practice and identify areas for improvement.
- To identify any serious concerns that could affect patient or trainee wellbeing.

The survey opened from 30 September 2021 until 9 December 2021 (10 weeks). Assigned Educational Supervisors were sent an email invitation. They were identified from 'active' trainee placements registered in the Intercollegiate Surgical Curriculum Programme (ISCP) – surgery's online training management system. The survey was run via the Survey Monkey platform. We sent 3 reminder emails – at 2 weeks, 8 weeks and 9 weeks. News was shared with the Confederation of Postgraduate Schools of Surgery (CoPSS) and advertised via the Heads of School. There were announcements on JCST website, ISCP and social media to encourage responses.

Inclusion criteria –

- Current AES (UK or Ireland) included in ISCP prior to the survey (6 July 2022).
- Any AES (UK or Ireland) contacting the JCST during the survey period to ask for access to the survey, if they were a current AES included in ISCP.

Exclusion criteria –

- Any individual who answered "No" to the question "Are you an Assigned Educational Supervisor?" (18 respondents).
- Any individual who exited the survey early on (first section) (40 respondents).

Response rate

The response rate of the survey was 28.3% (1047 responses of 3687 AES invited to take part). The survey was 'open' during a pandemic, when it is expected that pressures on respondents' time would have been high, but the response rate is unchanged compared with 2019. A further breakdown of the response rate (i) by region and (ii) by specialty is shown (Appendix B). There is variation across (i) region (17%–30%) and (ii) specialty (21%–40%). Some trainees were noted for more than one specialty and/or region in their survey invitation was 'unaccredited', a limitation that will affect the accuracy of the response rate breakdown (Appendix B). The 2021 survey had been requested to include the Republic of Ireland (1% of total responses, 1% response rate).

* Approximately 1% of invitations 'unaccredited' by region; 11% of invitations 'unaccredited' by specialty.

JCST Trainer Survey 2021 (Last Update: May 2022)

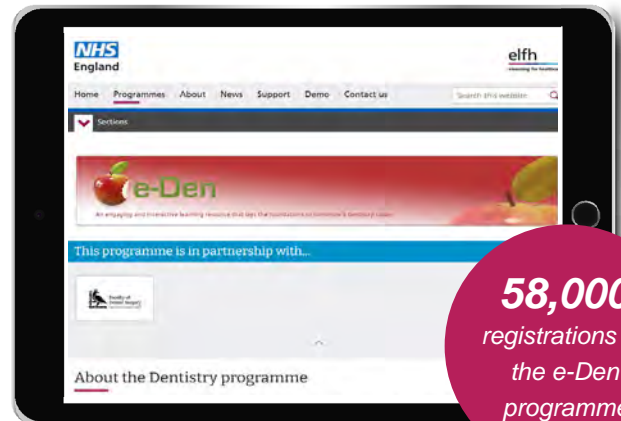
Supporting dental surgery

Throughout the year, the FDS has sought to deliver against its five strategic aims as follows:

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

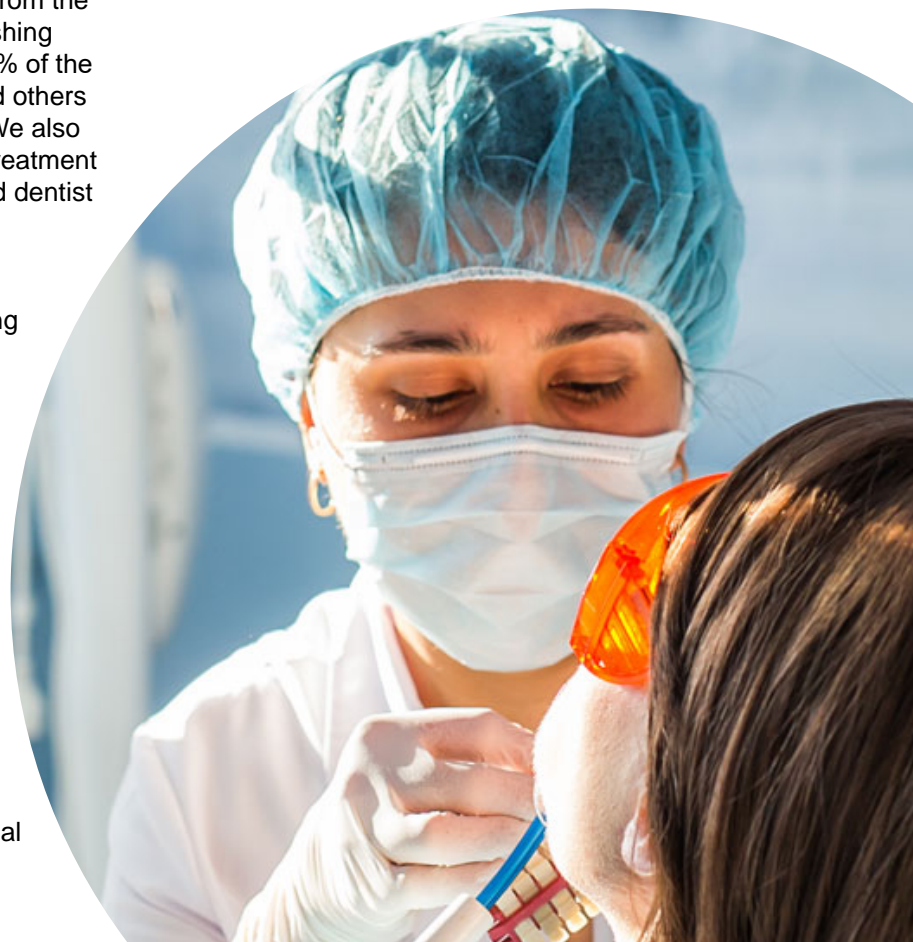
Throughout 2022–23, most of our initiatives have sought to deliver against these five strategic aims. Mr Matthew Garrett demitted as Dean in mid-June 2023 and Dr Charlotte Eckhardt was elected. We thank Mr Garrett for all his work and advocacy over the past three years and welcome Dr Eckhardt to the post. We continued our campaign to address children's health, in particular focusing on the prevention of tooth decay. We were pleased that on 1 October 2022, regulations came into force to ban products that are high in fat, salt and sugar from being located at supermarket checkouts, aisle ends and store entrances. We hosted our first ever fringe event at the Labour Party Conference in partnership with the Royal College of Paediatrics and Child Health and the Fabian Society. We also supported a new guide from the Getting It Right First Time programme on establishing conscious sedation services. It estimated that 12% of the population have a high level of dental anxiety and others may need procedures that are long or invasive. We also continued our campaign to address orthodontic treatment being conducted without examination by a trained dentist or orthodontist.

We continue to be a leading provider of dental education nationally and internationally, supporting dentists and other members of the dental team. To deliver against our strategic aim of embracing diversity and fostering belonging, we have reached out regionally, globally and to more of our specialty dental colleagues. We have recently set up a new SAS Education Committee, welcoming SAS grade colleagues and inviting them to share their views and concerns. We have also reviewed and increased our engagement with our specialty advisors in the regions and we are working with the wider College to develop new initiatives in global oral health. Our efforts in these three areas will inform the development of new educational activities and materials, including through our online interactive educational



programme e-Den, where in the past year our Faculty's excellent performance has led to an increase in our share of the e-Den development fund. We have now reached a record 58,000 registrations to the programme, which has also been successful in various countries around the world.

We continue to take a blended approach to education and events, and more recently were able to expand our reach to the wider health group with the success of our mental health event and our international advanced assessment masterclass both attracting high numbers and excellent feedback. We were also able to benefit from the King's coronation early this year by hosting a business collaboration with China, which proved a huge success all round.



Engaging with our members

Throughout the year we have worked hard to support our members wherever they are in the UK and whatever their career stage. Alongside a wide range of in-person and online activities and resources, we have worked closely with our network of regional representatives to review almost 400 consultant job descriptions and to stay informed about the key issues impacting members and their patients.

This year we have hosted almost 40 regional and devolved nation board meetings, including the first ever joint council meeting and regional committee in November 2022. We look forward to hosting this in our Manchester hub in late 2023.

We have engaged more than 30 medical school surgical societies through the Future Surgeons Forum and hosted our inaugural Future Surgeons conference for medical students, which was attended by an incredible 276 students from the UK and internationally. Delegates joined us from as far afield as India, Mexico and Malaysia. We have also sponsored and attended a wide variety of surgical events and national conferences across the UK where we have met members from every region, career grade, speciality and role within the surgical team.

Teams from the nation's 15 schools of surgery were represented in our annual *Are You Cut Out For It?* surgical skills competition for core trainees for the first time.



Professor Neil Mortensen with the Welsh team winners of the *Are You Cut out For It?* competition (left)

The team from Wales triumphed at the 2022–23 national final. Regional heats have now begun for the 2023–24 competition.

We have continued to make excellent progress with some key membership-focused diversity, equity and inclusion (DEI) projects. This includes the launch of a Mentorship Toolkit, and running a successful medical school engagement pilot with three non-London medical schools: Leeds, Leicester and Anglia Ruskin (Chelmsford). As part of this project we hosted *So You Want To Be A Surgeon?* conferences at each university and joined the University of Leeds summer school to engage sixth-form students throughout Yorkshire in a Cutting Edge Careers workshop. Our Grassroots in Surgery scheme, now in its second year, received 33 applications. The College will be supporting seven exciting projects over the course of this year with just over £35,000 of seed funding.

Our President and other Officers once again travelled far and wide to meet members, surgical teams and senior managers in trusts and hospitals across the UK, including Presidential Visits to Manchester, Liverpool, Bristol, North Devon, Plymouth and London.

Our programme of events continues to grow. We were delighted to host our second in-person Future Surgery Show with our partner CloserStill, attended by more than 2,200 delegates over two days. We have also been expanding our in-person and hybrid conferences, welcoming 1,100 delegates during the year. Alongside our conference



programme, our extensive webinar programme continues to support College workstreams. More than 1,000 attendees joined us to discuss a wide range of topics including training and career development, wellbeing, global surgery, and DEI issues.

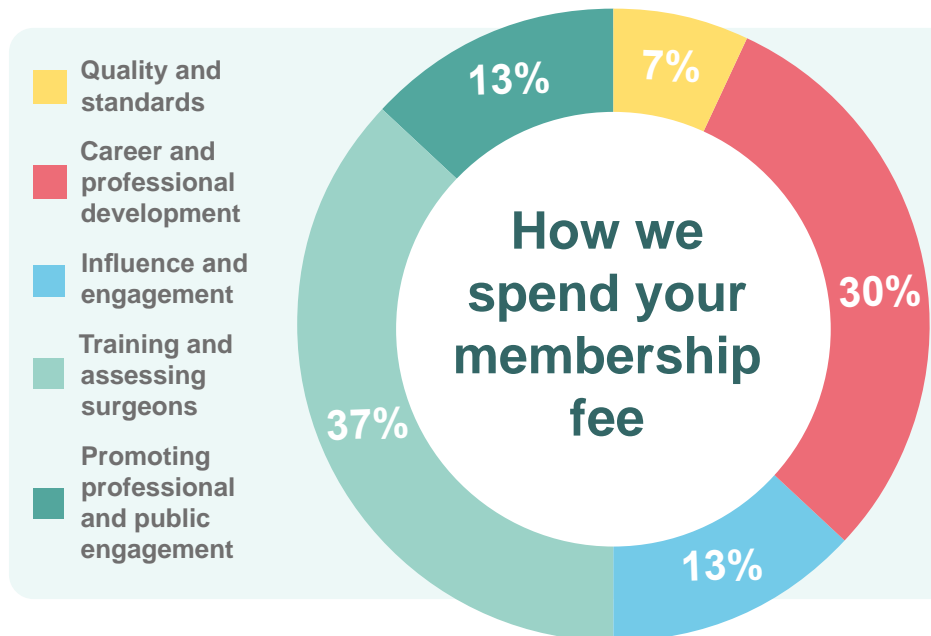
Outside our conference and webinar programmes, more than 1,000 diplomates received their diplomas at 14 ceremonies and we welcomed over 500 guests to a series of preview events to celebrate the long-anticipated reopening of the Hunterian Museum.

Across its digital channels, the College has seen a year of continued growth. Our most popular content, as expected, relates to exams and courses. Members are continuing to engage with our newsletters and email content at well above industry rates, with our average open rate for member newsletters and updates at just over 54%, compared with the sector average of under 30%. Engagement on our social media channels has continued to rise with users actively (i.e. commenting, liking or sharing) engaging with our content more than 183,000 times across the year.

The College's journal portfolio remains of high value to our membership. The *Bulletin* celebrated its 40th anniversary in July and continues to serve as the voice of the surgical community on highly relevant topics including wellbeing, industrial action, bullying and sexual misconduct in the profession, as well as diversity and the extended surgical team. As well as the impact of the printed edition, the *Bulletin* continues to reinforce its digital presence, averaging 28,000 monthly online page views. The *FDJ* has seen increased online usage of nearly 4,000 monthly page views on average.

Meanwhile, the *Trainees' Bulletin* published its fifth annual edition in collaboration with the Association of Surgeons in Training with a specific focus on the trainees' agenda, this year for the first time including updates from the various specialty associations.

The latest *Annals'* Impact Factor of 1.4 represents a drop from last year – a trend observed across the medical journal sector – although online usage and reach have increased, and the journal has published two special focus issues.



Embracing diversity

Two years have passed since the release of the independent review on DEI, and during this time, remarkable strides have been taken. Particularly noteworthy are the advancements made in various initiatives, including Council reform, differential attainment, SAS, as well as the Parents in Surgery project, among several others.

From its inception, we have expanded beyond the original 16 workstreams, seamlessly integrating some of these efforts into our standard operations. As we persevere in our joint journey of sharing and learning, facilitated by the DEI working group, we seize the opportunity to amplify the progress built upon the strong foundation laid over the preceding two years.

The current year has been dedicated to further enhancing the outstanding accomplishments achieved thus far. The invaluable insights garnered from the respect and inclusion training sessions have empowered us to refine our strategies for internal DEI initiatives. In doing so, we aim to extend our impact beyond the professional realm to positively affect the wellbeing of the College staff.

A major highlight over the past year, and one of our primary goals has been on enhancing diverse representation across various leadership and decision-making roles within the College ecosystem. We are proud to report that we have successfully increased the diversity of our Council and committees. Through targeted outreach, we have successfully appointed more individuals from underrepresented groups from across the membership.

Our flagship programme, Parents in Surgery has made major strides with the release of the report conducted

by the Nuffield Trust. The report identified a series of recommendations and areas for action, currently being taken forward. These will help improve the culture and policies for surgeons and healthcare staff more widely. Alongside this, a community is in development to support the sharing of experiences, resources and peer support. This will ensure that surgeons and dentists with parental responsibilities have the same access and opportunities for training and development as those who are not parents.

Having successfully launched our SAS strategy in July 2023, we have achieved a huge amount. Notably in the areas of recruitment, research, the development of a professional passport, supporting the development of new national guidance on induction for international medical graduates and the establishment of an SAS Dental Educational Committee to open up FDS roles to SAS surgeons.

Other notable highlights include the release of our report into differential attainment in the MRCS exams. The Kennedy review identified the pivotal role of examinations in the College's reputation and sustainability. This piece of work has allowed us to get a clear picture of the factors contributing to differential attainment in the MRCS and a clear plan for next steps.

The Pride in Surgery Forum became formally affiliated with the College with a mission to develop a network of LGBTQ+ individuals and allies; provide mentorship and pastoral support; produce inclusive policies and guidance; raise the visibility and profile of the surgical LGBTQ+ workforce; and perform outreach work with medical students and trainees to encourage them to pursue a surgical career.



Our Grassroots in Surgery scheme is going from strength to strength as we opened and closed another round of applications, building on the success of the last and seeing an increase in the number of applications. This round of applications demonstrated the reach of the programme as we had submissions from global members. This gives the College a great opportunity to consider how we can broaden the reach of the programme.

The theme of bringing in our international community was also evident in our work with medical schools. The flagship Future Surgeon's Conference, which ran as a hybrid event, had a strong global presence with 24 of the 61 universities represented being international. This has led to collaborative work taking place with the global team to develop a programme with our international community in mind.

We continue to focus on building strong networks and communities to support our work. This has led to the development of the Race, Ethnicity and Belief workstream. A project plan is currently in development to ensure that surgeons of varying races, ethnicities and beliefs are visibly valued, recognised and embraced by the College and the surgical profession at large.

An exciting new area of work that took place was the development of our diversity microsite. The site highlights all the fantastic work being undertaken by the College on DEI. This acts as a space to support the development of various networks and communities, while allowing our members and visitors to get updates in a more engaging and interactive way.

Our commitment to DEI will continue to be a driving force, ensuring that collaboration, respect and excellence are the cornerstones upon which the College stands. We believe that by fostering a more diverse and inclusive surgical community, we not only enrich our profession, but also improve patient care and outcomes. As we move forwards with this work, we envision a future in which diversity, equity and inclusion are not merely words, but guiding principles that shape every facet of our College. We are committed to fostering an environment where individuals regardless of their background, identity or experience feel a profound sense of belonging. Together, we will continue to build a surgical community that values and embraces diversity in all its forms, leading the way for the future of surgical excellence.



The flagship Future Surgeon's Conference, which ran as a hybrid event, had a strong global presence with 24 of the 61 universities represented being international

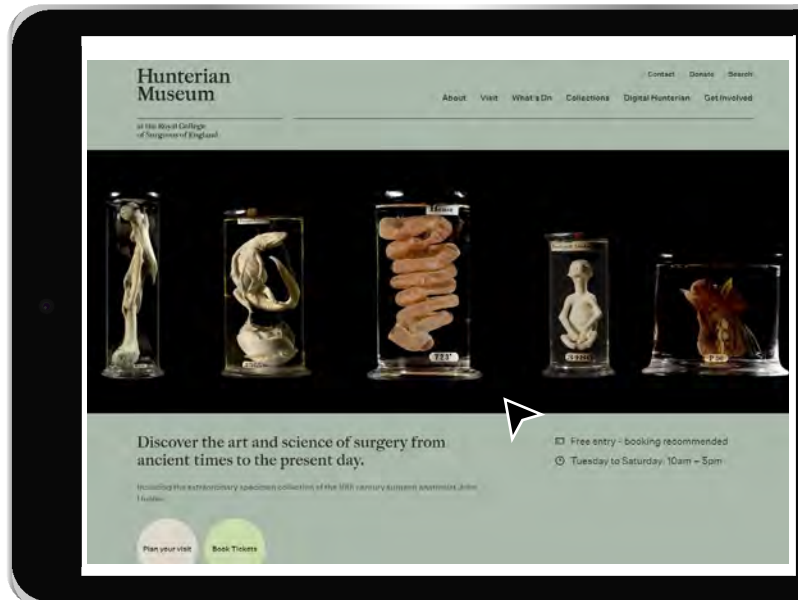
Together, we will continue to build a surgical community that values and embraces diversity in all its forms

Our commitment to DEI will continue to be a driving force, ensuring that collaboration, respect and excellence are the cornerstone upon which the College stands

Transforming our College

Our digital transformation journey is well underway with the setting up of a comprehensive Essential Digital Skills programme designed for everyone to engage with and develop and transform their digital skills. We have launched a unique accelerator programme which will provide a critical community in the College to accelerate change from within. The programme comprises a variety of formats using a range of cutting edge digital disciplines that will drive the College forward and ensure we remain at the forefront of our field, while investing in our own staff.

A central plank of our IT transformation agenda is the implementation of a new customer relationship management system and, in due course, an enterprise resource planning platform. The College has chosen to build these software solutions using the Microsoft Dynamics 365 cloud-based suite of integrated applications. This is a major and complex undertaking, one which will transform how we do business, ensure that we deliver excellent customer experiences, and become a more agile and data intelligent organisation. After an initial development phase had to be halted during the pandemic, we have engaged Telefonica Tech as our new partner, which has given us an opportunity to further improve our process design and optimise our use of the functionality of Dynamics 365. Our transformation programme during the next year will include vital development of



our website platform as part of our overall objective to deliver a better member experience.

Accompanying the opening of our brand new Hunterian Museum in May, we launched a new tailored website for visitors to the museum. The website provides great digital content celebrating the museum, the collections, events and exhibitions; digital access guides are available with useful insight and information ahead of one's visit. The new website offers an excellent opportunity to encourage interest and engagement with the story of surgery, enrich the visitor experience and increase our reach with the wider public.



Promoting public and professional engagement

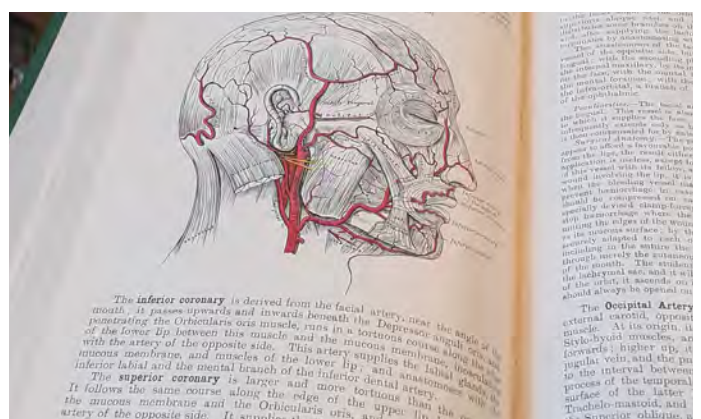
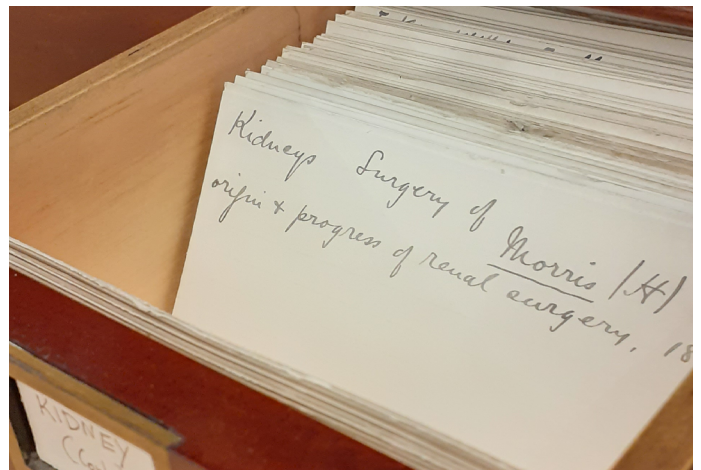
Library and archives

Following the return of the library and archives collections to the College in 2021–22 and the opening of the new Members' Library and Research Room in December 2021, one of our main priority activities during 2022–23 has been to extensively promote and raise awareness of the wide range of library and archives facilities, services and resources that are available to members and fellows, College staff and other audiences. In addition, we have continued several ongoing strands of work and commenced a number of new tasks aimed at extending the scope, reach and impact of our core service offer. Our principal marketing and promotional activities during the year have included:

- In-person attendance at various regional College and external events, conferences and meetings.
- Targeted use of social media; for example, LinkedIn and Twitter, as well as a new Library Instagram account.
- An online promotional campaign to promote our literature search service to members and fellows.
- Development and phased roll-out of new online guides (LibGuides) to publicise all of our services.
- Displays of rare library books and archival materials at a number of events hosted at the College.
- Several articles about the Library published in the *Bulletin*, external publications and online blogs.

These activities have contributed to more frequent and regular use of all library and archives facilities, services and resources by members and fellows and other users throughout the course of the year. In total, 697 visitors made use of the Members' Library and Research Room during 2022–23, a significant increase on the number of visits recorded during our first six months of operations, from December 2021 to June 2022. As well as in-person visits, 501 remotely submitted archives-related enquiries and 318 library-related enquiries were also received and answered during the year, which is approximately one-third more than the number of enquiries received during the previous year.

In response to the increase in visitor numbers, a decision was taken to extend library opening hours from three to four days per week, as well as by an extra two hours on Council days. We also joined the SCONUL Access Scheme, which provides College members and staff with access to more than 175 other academic and



research libraries across the UK and Ireland, and this has proved to be a popular service.

College purchased and subscribed electronic resources (databases, e-journals, e-books and anatomy applications) also continued to be heavily used by members and fellows, with more than 115,000 separate logins for electronic resources having been recorded in total by members throughout the year.

Following the conclusion of a three-month campaign to promote the literature search service, the Library's Evidence Support Team also saw a rise in literature search requests from members, with the highest number of monthly requests in recent years having been received in March 2023.

In total, 131 literature searches were undertaken during 2022–23. In addition, 65 specialty updates were sent out during the course of the year, which had an average recorded open rate of 54%.

In January 2023, the Evidence Support Team concluded a two-year external commercial project. Following this, a lessons learned review was undertaken and a plan was drawn up to develop a new information specialist consultancy service aimed at generating further external income for the College. This plan was approved by the College and work to develop and initiate this service has commenced.

Another key achievement during the year has been the development of the Voices of Surgery oral history project. The initial pilot project, consisting of seven interviews with surgeons, was completed during the year, with the interviews being linked to the Library webpage. The project has now become a permanent activity, with external funding having been committed to conduct further interviews.

Work on *Plarr's Lives of the Fellows* has also continued throughout the year. A generous donation was received from Professor Chris Stephens to fund the incorporation of biographies of dental fellows within *Plarr's Lives*, and this work has now started and is ongoing. In total, 10,238 biographies were available online by June 2023, with 678 images of surgeons also having been added to biographies.

During the second half of the year we launched the new Henry Lumley Collections Engagement Grant, which was established as the result of a bequest to the Library from the late Henry Lumley. The grant will facilitate new research into the library and archives collections and will help to raise awareness of the collections among the research community and the wider public. The inaugural £3,000 grant was advertised in April 2023 with the funds awarded to the successful applicant in July.

In February 2023 we submitted a funding application to the National Lottery Heritage Fund for a large-scale, multi-year library and archives digitisation and engagement project. The Fund has asked us to consider widening the scope and scale of our project with particular focus on expanding its public engagement themes and we are currently working up a revised application.

Museum collections and services

The new Hunterian Museum opened to the public on the 16 May 2023 following the fit-out and object and specimen installation of the museum between September and April 2023. In all, 90% of high value paintings and objects stored with fine art specialists Constantine were returned to the College for installation in the new museum. The Human Tissue Authority issued a public display licence for human tissue specimens displayed in the Hunterian Museum.

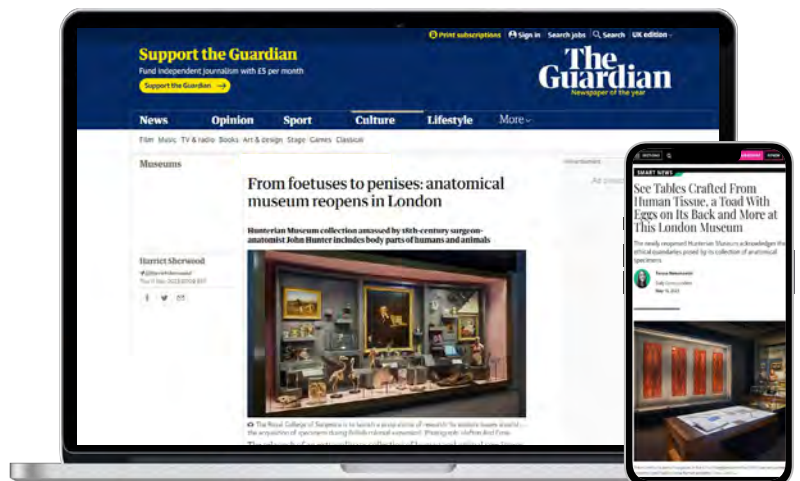
Several special previews of the Hunterian Museum, hosted by the President and Council and the Hunterian Collection Board of Trustees, took place for donors, contributors, Hunterian Banquet guests, specialist surgical groups and museum sector colleagues. More than 30 biotech companies generously contributed new objects for display. The museum is free to enter and an advanced reserve ticketing system was set up online to manage visitor numbers. In total, 30,000 people visited in the first three and half months.

College electronic resources have recorded **115,000** unique logins over the past year

Over the 65 specialty updates sent out this year, we recorded a **54%** open rate.

March 2023 recorded the highest number of monthly requests in recent years, and **131** literature searches undertaken in 2022-23.

Plarr's Lives of the Fellows now has **10,238** biographies available online, with 678 images of surgeons added.



Extensive press and media coverage, nationally and internationally, for the new Hunterian was overwhelmingly positive. A new Hunterian Museum website was launched in April 2023, generously funded through the Macrae-Webb Johnson Fund, and new and refreshed social media channels, Facebook, Instagram, Twitter and YouTube, went live the same month. Follower numbers have increased fourfold and the museum’s “beyond walls” presence has been significantly enhanced.

The Anatomy and Pathology Museum facilitated revision sessions for MRCS Part B candidates in addition to medical professional, students and health and wellbeing groups. The new VLE (Virtual Learning Environment) anatomy learning resources, linked to the Anatomy and Pathology Museum collections and developed with subject specialist experts, was made available to College members remotely through secure online connections in March.

Trials for a new Hunterian Museum schools programme, due to launch in spring 2024, were undertaken throughout the summer. Museum services for research and image provision and licencing continued throughout the period.

Fundraising

We receive significant charitable funds every year from our donors and supporters. These funds support a comprehensive range of projects and activities undertaken in pursuit of our charitable objectives. This year we raised more than £4.9m for surgical research, learning, and a number of new and ongoing noteworthy initiatives.

The refurbishment of our London headquarters brings new fundraising opportunities. This year, we have developed a proposal to secure Founding Corporate Patrons for the new building. These Patrons will share our interest and vision to advance surgical standards, inspiring and supporting the medical profession. This shared interest will bring investment to the College with £1m to be committed over five years by each Patron, of which up to 50% can be allocated to gift-in-kind products and services to support our ambitions in the new building and beyond.

We are delighted that Karl Storz UK have become our first Founding Corporate Patron. They have also committed to a donation of instruments for the new Hunterian Museum exhibits and we are very grateful for their passion, expertise and generosity.

With the long heralded reopening of the Hunterian Museum bringing increasing numbers of new visitors to the College’s Lincoln’s Inn Fields home, we have taken the opportunity to trial tap-and-donate devices. These devices from a specialist supplier invite donations via card or smart device instead of cash. With an overarching “admission free, donations welcome” message, the trial has proven that an additional £3,000 per month in voluntary donations is possible.

Our change plan to become a fully legacies-confident organisation is continuing and will extend into the next financial year and beyond. The College has a successful track record in legacy gifts and by promoting awareness of how our work has been positively impacted by posthumous gifts we can build on this success in a strategic manner.

We are very grateful to members of Council who have championed our ongoing efforts including appeals, as well as those who have given generous personal donations and all will be appropriately recognised within the building.

We extend our gratitude to all our donors and supporters and to those who have remembered us in their wills with gifts totalling £0.9m this year.



Former fundraising manager Nicola Extance-Vaughan and husband James took part in several races for charity on behalf of the College.

Since occupying the building, we have focused on our commitment to DEI and have introduced the provision of free period products and multi-gender toilets in the building. We are committed to making our building feel welcoming and inclusive to all

We are committed to making our building feel welcoming and inclusive to all. This has led us to commit funds to commission artists to provide contemporary, diverse artwork and portraiture, particularly in our public areas. We have further work around visitor feedback planned to enhance the experience in future years.

The Board have reviewed the space across the College and are seeking to consolidate working areas across one floor, given the opportunity to commercially let another staff-occupied floor.

Our new home of surgery

The Hunterian Museum reopened to the general public on 16 May 2023 with 13,743 visitors welcomed by the end of June. This exciting public development, which remains free of charge, has proven a delight to our visitors. Our professional surgical centre for learning and examinations retains good occupancy and feedback.

Our sixth-floor conference and events venue, “The View”, has provided a wonderful space in which to celebrate our diplomates in a joyous ceremony shared with their families and friends. The conference venue and our other hospitality spaces have also been extremely popular with outside organisations, and we are seeing a pleasing number of organisations wishing to come back and hold more events at our venues. The success of these activities is helping to raise the public profile of the building and the College.

Since occupying the building, we have focused on our commitment to DEI and have introduced the provision of free period products in all female and multi-gender toilets in the building.

Looking ahead

Looking forward to the year ahead, we will continue to focus on transforming the College for the benefit of our members, and supporting them in their working lives to provide the best possible care for their patients.

During 2023–24, we will review our strategy and operations in response to our membership survey. We will continue to have a strong focus on DEI, including the recommendations for Council make-up and how Officers are elected. In addition, we will begin our work to address the scourge of sexual misconduct in surgery.

We will continue to ensure that our new building is both welcoming to our whole membership and works hard to generate benefits for the College.



Financial review

This year has been one of both consolidation and progress as we continue on our transformation journey to deliver a financially sustainable and forward-thinking professional membership organisation. Our financial results continue to carry some residual impact from the disruption caused by the pandemic years, but we are seeing a steadier and more stable recovery in our underlying revenues, with some revenue streams now clearly moving ahead of pre-pandemic levels, and an increasing contribution from new commercial activities as part of our key strategy to diversify our revenue base. This has provided an important contribution to the overall improvement in our financial performance achieved despite the increases we have seen in our costs, in part driven by the high inflationary conditions that have prevailed throughout the past year.

We have posted a net expenditure position this year of £2.45m (2022: £7.6m) including a small net gain on our fixed asset investments of £0.11m (2022: £1.24m loss), representing a £5.15m turnaround from the previous year. Total funds managed have moved down to £135m (2022: £137.5m).

This is the second full year in which we carry the significantly higher depreciation charges associated with our redeveloped freehold property. If we discount these, the FRS 102 pension liability and employee benefits adjustments, the cost of debt and an exceptional one-off fixed asset write-off following changes to the delivery of our IT transformation programme, we can see that, despite the economic stresses on our underlying activities, we are reporting an underlying surplus of £2.2m for the first time since 2021. This represents an improvement of £2.6m on our 2022 underlying operating position. This is set out in the table below.

Underlying position	2023 £000	2022 £000	Change £000
Net income/(expenditure) before investment gains/(losses)	(2,564)	(6,362)	3,798
Faculty of General Dental Practice discontinued operations	-	808	(808)
Freehold property depreciation	2,397	2,357	40
Fixed assets written off during the year	1,298	-	1,298
FRS 102 pension liability change	(105)	1,603	(1,708)
FRS 102 Employee short-term benefits accrual change	305	332	(27)
Debt interest	888	888	
Underlying net income/(expenditure)	2,219	(374)	2,593

Restricted and endowed activity levels can vary quite significantly from year to year. A 13% rise in our restricted and endowed income, while related expenditure has lowered, has provided £1.5m of the £2.6m improvement from 2022, helping to replenish restricted funds after several years of gradual depletion.

£1.1m of the improvement flows from our unrestricted activity, where we have seen a much stronger recovery in our income levels compared with the previous year. Although expenditure has also risen, the income improvement has helped to raise the underlying surplus to £2.4m (2022: £1.3m). These results and changes from 2022 are summarised in the table below.

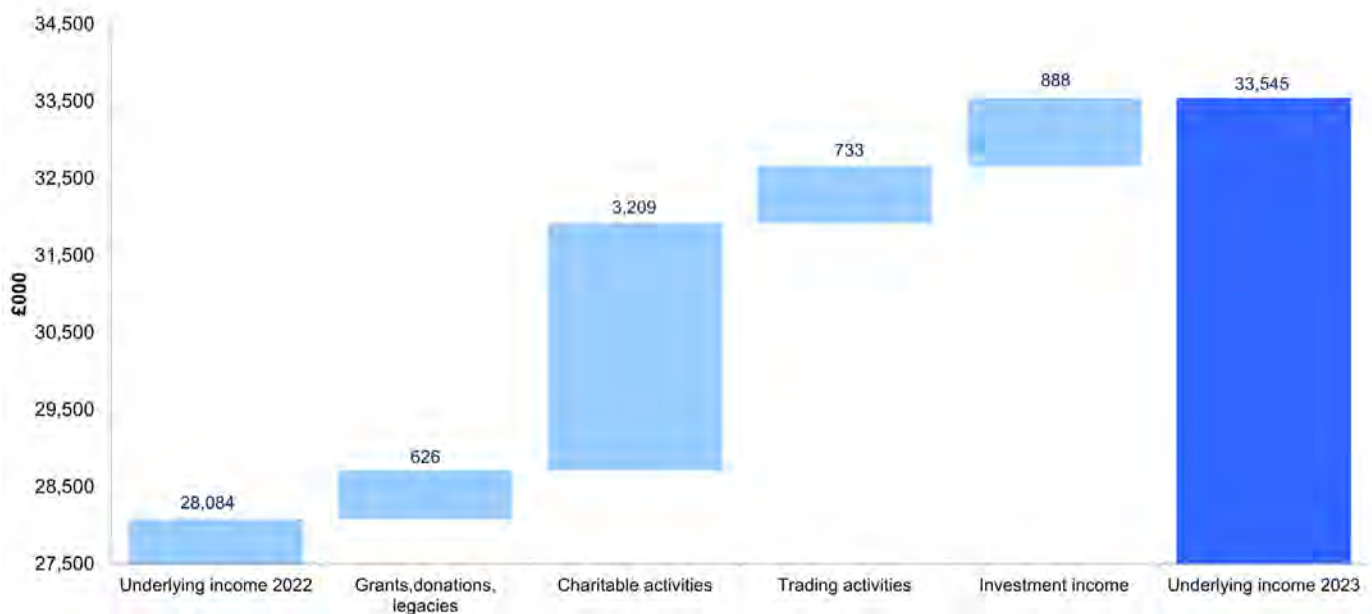
Underlying position	2023 £000	2022 £000	Change £000
Underlying income	33,545	28,084	5,461
Underlying expenditure	31,326	28,458	2,868
Underlying net income/(expenditure)	2,219	(374)	2,593
Net contribution/(loss) as percentage of income:	7%	(1%)	
Unrestricted funds	2,406	1,307	1,099
Restricted and endowed funds	(187)	(1,681)	1,494
Underlying net income/(expenditure) by source of funds	2,219	(374)	2,593

A net unrealised loss on revaluation of £1.23m on investment property, reflecting challenging London property market conditions, offset by an improved investment performance returning net unrealised gains of £0.55m, has further reduced unrestricted funds, which now stand at £90.5m, 3% below the 2022 position (2022: £93.6m). Endowed funds have reduced by 1% to £38.6m. Funds applied are 11% below 2022 levels but together with other charges, these exceeded the investment contribution of £1.2m including net unrealised investment gains of £0.75m. Restricted funds have seen a 24% increase rising by £1.1m to £5.9m largely because of the injection of new funds of £1.3m received for the NATCAN that was launched in October 2022.

Underlying income

Income has risen by 19% or £5.5m to £33.5m, with a set of strong rises showing across all our principal income groups.

Change in underlying income from 2022



Charitable activity income has risen by 15% or £3.2m, driven primarily by much stronger exam revenues which are up by £2.75m. A backlog of candidates that had developed during the pandemic period and the introduction of a new operating model for the MRCS Part A exams towards the end of the 2022 year has led to a much higher number of candidates being assessed in 2023. By contrast, we have seen a £0.85m drop in course income this year due to a number of factors. 2022 benefitted from £600k of income in respect of legacy courses that the FDS agreed to deliver following the departure of the Faculty of General Dental Practice (FGDP). The majority of these courses concluded in 2022. Course delivery has also been disrupted by transport industrial action and NHS winter pressures giving rise to a number of course cancellations and rescheduling with a comparatively higher level of income being deferred into the 2024 year. Our digital course demand is also showing a return as expected to lower pre-pandemic levels. Our subscription income is 2% up on 2022, with membership fees up by 2% and overall membership numbers inching up 1.5% to 25,469. Intercollegiate exam contributions have risen this year, driven largely by the increased cost of the new MRCS exams delivery model, contributing to the rise of £1m in other charitable income in 2023.

Investment property income has contributed to the sharp rise in investment income this year standing at £0.9m (2022: £0.17m) following the leasing of the second floor midway through 2022; this year benefits from a one-off adjustment to recognise revenue from the start of the lease instead of from the end of the rent-free period. Investment income in respect of the endowed funds portfolio is also higher this year. Overall investment income remains significantly lower than in previous years reflecting the shift to a longer term asset allocation strategy being pursued by our investment partners, J.P. Morgan, which places greater emphasis on capital appreciation.

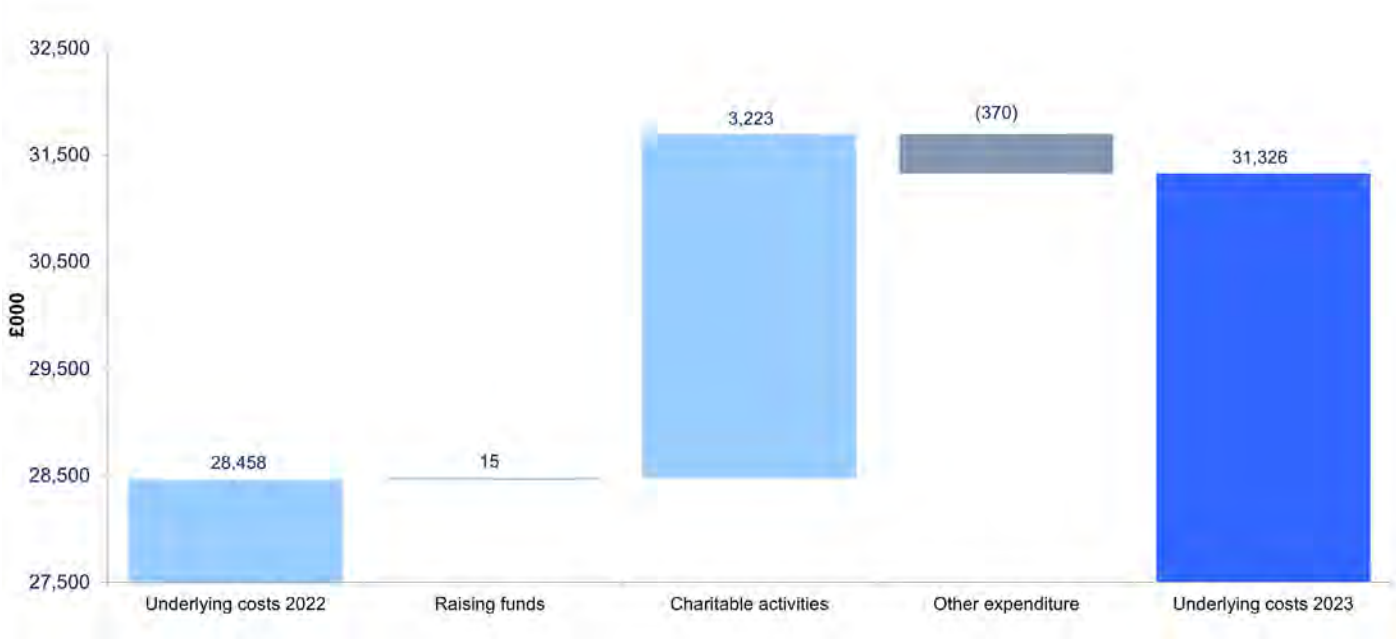
We have also reported a substantial increase in trading activity income from our new conference and events venues, as well as from new corporate sponsorship that has been successfully secured. The £1.3m of new funds in support of

the new NATCAN has helped to boost grants, donations and legacies by 12% to £5.9m, although share of income has nudged down to 18% (2022: 19%). Charitable activities represent 74% of income this year (2022: 77%), investment income as a share of income rose to 5% and trading activity increased its share to 3% as we continue to build up our commercial activities.

Underlying expenditure

Underlying expenditure has risen 10% or £2.87m to £31.3m with unrestricted expenditure up 17% or £3.7m on 2022 levels to £25.45m. This includes a 20% rise in unrestricted charitable activity expenditure reflecting the increased cost of doing business in the prevailing inflationary environment, as well as further targeted investment in support of revenue growth and our strategic activities as we reposition ourselves in a post-pandemic world.

Change in underlying expenditure from 2022



Our course and exam portfolios continue to evolve as we seek to differentiate our offer in what is a highly competitive landscape. Overall underlying expenditure is more than 14% up on comparable 2019 pre-pandemic levels. We have reported higher costs across most expenditure areas including professional and public engagement, reflecting the investment made in the preparations for the opening of the new Hunterian Museum in May 2023.

Much of our programme of professional activity as outlined in the Trustees Report is supported by our restricted and endowed funds. Total expenditure against these funds has fallen by 13% to £5.8m (2022: £6.7m). Our programme of Research and Clinical Effectiveness projects has delivered £4.3m of activity this year (2022: £5m). The overall number of research awards granted remained at 80, although there were fewer fellowships awarded this year compared with last year.

Net assets

Net assets have decreased by just under 2% or £2.45m to £135m. Fixed assets decreased by £3.9m with property assets losing £1.2m in value and investments moving down by a net £0.77m. Capital additions of £2m include £1.1m of cost of works in respect of the Hunterian Museum, but there was also an exceptional write-off of £1.3m this year in respect of IT software assets. The College's landmark building is depreciating currently at an annual rate of approximately £2.4m. All components except freehold property will have been fully depreciated after 25 years. The long-term loan of £40m financed completion of the capital works. Cash holdings have decreased by £2.6m, debtors are £3.7m higher at almost £9m, current liabilities are 2% lower at £15.9m, and the current ratio has increased to 1.08 from a borderline 1.0 in 2022.

Hunter Trading Limited

Our financial statements consolidate the results and financial position of our wholly owned subsidiary, Hunter Trading Limited (note 15). The company has delivered a profit of £619k for the year (2022: £87k). 2023 is our second year of trading and it has been a highly successful one for our new conference and events venue, “The View”, as well as for our other iconic and unique venue spaces. Our catering and events partner, Searcys, has successfully promoted our offer throughout the year, and market interest and bookings have continued to rise. Commission under the profit share arrangement became receivable for the first time in this year but nevertheless the excellent trading performance has exceeded expectations.

Financial outlook

We embarked upon our journey of transformation more than five years ago. Our prestigious redevelopment overlooking Lincoln's Inn Fields represents the first major success of our transformation strategy. We now have a smart physical space that offers state of the art facilities and opportunities to use cutting edge technology to enhance our professional education and assessment offer and provide excellent commercial opportunities that can generate returns to be reinvested in support of our professional and charitable agendas.

Our new Hunterian Museum opened in May 2023 to great acclaim and attracted considerable global interest. The opening represented the successful conclusion of the redevelopment programme of our estate. Since its opening, the museum has welcomed a steady stream of visitors through its doors, helping to create a thriving public space on the ground floor and bringing additional custom to both our café and retail shop facilities.

The global pandemic caused enormous disruption to our day-to-day business operations with unprecedented constraints placed upon business activity both within the UK and globally. Since this time, we have been successfully building back up our revenues and activities, taking advantage of the opportunities this recovery period has presented to redesign and reshape our business models. The road to recovery has been complicated by the additional challenges of economic uncertainty and high inflation that has increased the general cost of operations and depleted the value of our investments in the short term. Despite these difficulties, we have delivered a much improved underlying financial performance this year.

This next year will continue to be one of consolidation and investment in change, developing our understanding of demand trends in current and new markets so that we can continue to provide a competitive, valued and relevant offer to our members and prospective members. We will continue to expand and develop our revenues streams, extending our global reach, investing in and promoting the dental exams offer, attracting new sponsorship schemes and working with our commercial partners to develop and improve our venue packages so that we maintain and grow demand for our excellent event spaces.

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

Economic stress and uncertainty will remain as interest rates stay high, strong domestic wage growth keeps inflation high and economic growth is expected to be sluggish over the medium term. Inflation is not expected to return to the long-term 2% Bank of England target before the end of 2024. Within this challenging economic environment, it remains vital that we continue forward with our transformation plan to deliver a new business model that provides strong and sustainable surpluses through a diversified revenue base and a value for money cost of operations that, critically, provides the finance to meet our debt repayment obligations which fall due in three years' time.

The financial position of the Universities Superannuation Scheme (USS) and the ongoing level of support it seeks from employers has been a constant source of concern in recent years. As a result of the 2020 valuation, the liability we disclose in respect of this scheme remains at a significant level. However, the latest funding position set out in the 2023 valuation exercise which is underway, and which indicates that the scheme is now in surplus, augurs well in terms of future employer and employee contribution levels. We remain alert to the possibility under the scheme's Monitoring and Actions Framework that short-term corrective actions such as higher contributions or accelerated valuations could be taken in the event that the scheme's funded status is impacted adversely by market volatility.

We will continue to support employer representatives in their efforts to keep the cost of pension benefits at an affordable level.

Reserves policy

Our reserves comprise unrestricted funds, restricted and endowed funds. The restricted and endowed funds result from grants, donations and legacies that can only be applied for a purpose specified by the donor or grantor and are not available for general purposes. We aim to carry out the activities and projects supported by these funds on a timely basis in accordance with the purposes and conditions specified. Restricted and endowed funds total £44.5m at 30 June 2023 (notes 17 and 18).

The unrestricted funds represent the accumulated surpluses generated from general business activities and are funds that are available for use at the discretion of the trustees. They comprise fixed asset funds, designated funds and general funds.

Fixed assets fund

The fixed assets fund comprises the funds invested in fixed assets that the trustees consider essential in enabling the College to implement its operational strategy effectively. The fund represents the net book value of unrestricted tangible and intangible fixed assets and net of associated long-term loan funding. We held £68.2m in fixed assets fund at 30 June 2023 (2022: £70.1m). The fund includes £0.94m of assets in the course of construction in respect of the digital transformation programme to redesign our systems landscape. The fund also includes the £4.2m of historical cost in respect of the leased second floor, which is accounted for as an investment property.

Designated funds

Designated funds are funds that the trustees have earmarked for specific purposes. We designated £1.5m in 2021 to support the next phase of digital transformation and new systems investment. £466k has been expended on digital transformation in the year to 30 June 2023.

General funds

In accordance with Charity Commission guidance, the trustees set a target range for the level of free reserves, or general funds, that the College should maintain to ensure its financial security and funding of its business plan. Free reserves or general funds are defined as total unrestricted funds less fixed assets and designated funds. The trustees determine that a prudent target range for the College's free reserves is between 75% and 100% (ie, between nine and twelve months) of gross annual unrestricted operational expenditure. This equates to a target range of £22.7m to £30.2m for 2022–23.

This range is set taking into account:

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

General funds stand at £21.85m at 30 June 2023. This represents a rise of £0.4m or 2% on the previous year (2022: £21.4m). This represents 72% (2022: 77%) of unrestricted operating expenditure and stands just below the minimum of the target range. An allocation is made from general funds to provide for the pension liability, which represents the discounted value of the deficit funding contributions. This does not imply a significant constraint over the use of reserves for the foreseeable future other than to ensure monthly contributions are met and budgeted for accordingly. Net expenditure, including this year an unrealised gain on market investments, amounted to £1.8m. Allocations from the general fund to the fixed asset fund and the investment property revaluation reserve combine to recover the general funds position by a net £2.2m.

We remain in a period of economic challenge and financial stress. As we build back our core activities post-pandemic, the College is steadfast in the pursuit of its longer term objectives of financial sustainability, so that it meets its future annual debt obligations and ensures that it maintains an appropriate level of free reserves to enable the College to withstand future unexpected events as well as deliver on its priorities.

Fundraising

The College aims to raise funds in accordance with best practice and in an open, legal and fair manner, and has effective systems in place to monitor and maintain these standards and ensure communications with supporters are undertaken in a considered and balanced manner.

We are registered with the Fundraising Regulator and undertake our fundraising activities with reference to the Code of Fundraising Practice. We review each year our data protection processes to ensure full compliance with the General Data Processing Regulation (2018). We do not engage commercial partners or volunteers to raise funds on our behalf. If complaints and concerns are raised, these are taken seriously and responded to promptly and handled in accordance with the College's complaints procedures which are available on the website. We did not receive any complaints in respect of our fundraising activity in 2022–23 (2022: nil).

Investment policy

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

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

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

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

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

Investment portfolio performance

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

Both portfolios are managed on a total return basis and are structured to enable the College to continue to receive an annual cash distribution of up to £2m to support its ongoing operations and restricted activities. Greater focus is therefore placed on overall investment performance rather than on earning investment income. The investment portfolio delivered an overall unrealised gain of £1.34m compared with a loss of £1.83m in 2022. Portfolio income rose to £0.67m this year (2022: £0.52m). A cash distribution of £2.39m was made at the end of the year, comprising £1.5m

against the restricted and endowed portfolio to replenish operating cash balances for endowed fund expenditure, and £888k against the unrestricted portfolio to finance the annual debt interest. The net return before divestment was 2.6% but the final return net of fees was –1.2% for the year (2022: –6.4%). The portfolio has performed well following the market turmoil of 2022 and the testing economic conditions and geopolitical challenges that have continued to play out.

Total return accounting

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

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

A total of £1.49m was applied in the year to fund restricted expenditure, and together with investment management fees of £234k, the total applied from the endowed funds was £1.72m. This represents an application of 4.4% in the year, which is just 0.1% below the top of the target rate range. The cumulative total applied since the adoption of total return accounting remains just below the cumulative maximum target level for this same period and we will continue to need a strong investment performance over the long term if spending plans are to continue at current rates.

Key management personnel

Key management personnel are defined as members of the Executive Team and Directors as set out on [page 43](#) of the Trustees' Report.

The People and Culture Committee oversees matters relating to structure, composition and effectiveness of the Board, and provides assurance to the Board that the College has an effective strategy to deliver an effective and high-performing workforce. The Committee oversees issues relating to the remuneration of staff with specific responsibility for making recommendations to the Board regarding overall remuneration policy, including approving salaries and conditions of service at director level and above. The Committee receives recommendations from the Head of Human Resources based on a detailed market review benchmarked to similar organisations carried out biannually, as well as through the annual performance appraisal process. Based on this advice, the Committee makes recommendations to the Board on the remuneration and benefits of the Chief Executive Officer and other senior post holders.

Details of remuneration for the year ended 30 June 2023 are set out in [note 8](#) of the financial statements.

Risk management

The Board of Trustees views robust risk management and control as fundamental to support the College in defining and achieving its strategic objectives. The College operates a “three lines of defence” model, has a separate risk and compliance function, and an independent internal audit. All risks have a clear owner and are measured, mitigated and monitored. The Board of Trustees is ultimately responsible for the management and control of the College's risks and sets the College's risk appetite. The Board has overall responsibility for ensuring that we have appropriate and adequate risk management processes in place to support the delivery of our strategic plans. Trustees regularly review and assess risks across all areas of the College's activities.

The Audit and Risk Committee is responsible for advising the Board on statutory financial reporting and for overseeing and reviewing the systems of financial governance and risk management. These systems are designed to manage rather than eliminate risk and to provide reasonable assurance that mitigating actions are adequate. Trustees have delegated elements of the risk management process to Audit and Risk Committee, staff members and professional advisers but set the risk appetite statement. The Audit and Risk Committee is responsible for the appointment of the internal and external auditors.

During this year the Audit and Risk Committee has continued to oversee refinement and improvement of the College's approach to risk management, and the Board of Trustees has in place a robust framework consisting of our new risk management policy, our risk appetite statement, and departmental, project and corporate risk registers.

Council is responsible for all substantive matters relating to professional and public policy in respect of the mission and strategic aims of the College and those that support the College's members. Council delegates some of its powers and functions to subcommittees and other groups. Risks are reported to trustees and Council through Audit and Risk Committee.

The Chief Executive, supported by the wider executive director team, is responsible for ensuring that risk management procedures are in place and that departmental and project risk registers are regularly reviewed and that key risks and risk movement are reported appropriately. Every member of staff is responsible for managing risk as part of their daily role.

We have identified what we consider to be the key risks and challenges for the College during this period:

Risk	Mitigation
Financial resilience: Recovery of income streams following the end of the pandemic, world macro-economic events, cost of living pressures on staff. Safeguarding the Charity's assets.	<ul style="list-style-type: none"> • Long-term strategic financial planning model provides a forward view of the operating position, cash flow and reserves, and early identification of performance pressures and options to redress position. • Trustees approve an annual financial plan and budget to ensure the College remains financially strong and is able to continue to meet the needs of our members during the pandemic. • Annual reforecasts take place and are reviewed and discussed in detail at Finance and Investment Committee meetings. • Close monitoring of cost of living and inflation impact and higher interest rates on staff and members.
Organisational and building transformation.	<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 monitored by trustees, the Audit and Risk Committee and the Finance and Investment Committee. • Effective professional support was identified to ensure that optimum value is delivered for the College, its membership and its external stakeholders.
Meeting regulatory obligations.	<ul style="list-style-type: none"> • Detailed departmental risk register identifying risks and mitigations, managed by information governance manager • Mandatory e-learning training course (information security and data protection) must be passed by all staff annually. • General Data Protection Regulation (GDPR) awareness raising to ensure that staff are familiar with policies and guidance and the data protection officer as point of contact for advice. • The Information Governance Steering Group was refreshed. Reporting to the Executive Directors team, it ensures regulatory requirements are reviewed regularly and implemented operationally.
Separation of the Faculty of General Dental Practice to establish the College of General Dentistry.	<ul style="list-style-type: none"> • Two years has passed since separation and the College is satisfied that the grant monies provided were spent in accordance with the terms and minimal reputational risk remains.
The cost of living impact on staff.	<ul style="list-style-type: none"> • Regular communication with staff. • A full review of terms and conditions has been undertaken introducing a more flexible approach to working and improvements. • Organisational diagnosis undertaken by external consultancy. • Mental health first aiders introduced.

A number of emerging risks were identified and informed the development of the College's five-year strategy.

A clear and focused strategy

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

Digital capability

We are investing to ensure that our IT transformation is fit for purpose and supports the College's strategy and future growth plans. This includes a new customer relations management system and a new website to enable optimum user experience.

Our digital capability will underpin the wider College strategy and allow us to meet our strategic objectives ensuring our members are able to engage with us easily.

Diversity and inclusion

The College commissioned an independent review on diversity and inclusion led by Baroness Helena Kennedy KC. This is a key element of our strategy that focusses on promoting diversity, inclusion and fairness both within the College and across the surgical and dental profession, embracing difference and ensuring that our profession and the College remain at the forefront of patient care.

Going concern

The financial statements have been prepared on a going concern basis. Although the College has returned a reasonably strong performance for 2022–23, the ongoing economic uncertainty, both within the UK and globally, continues to present financial challenges in terms of the impact of a rising cost of operations on our margins and the potential for instability in our revenue base. It is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2025.

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

The College has updated its long-term revenue and cash projections for its latest results, annual plan and other expected changes in its operating position over the next 18 to 24 months. The projections are stress-tested and set the minimum long-term operating surplus target that the College must achieve to meet its interest and repayment obligations in the medium to longer term. With £40m of long-term financing secured in November 2020 the College has sufficient cash reserves to support its general operations over the next 18 to 24 months.

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

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

Corporate trustee responsibilities

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

Colledge Family Memorial Fellowship Trust

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

The value of the Colledge Family Memorial Fellowship Trust endowed fund at 30 June 2023 is £2.6m (2022: £2.8m) and its restricted fund is £73k (£2022: £34k).

Other trustee responsibilities

The Sir Ratanji Dalal Research Scholarship Fund

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

The value of the Sir Ratanji Dalal Research Scholarship endowed Fund was £0.72m at 30 June 2023 (2022: £0.75m) and its restricted fund was £170k (2022: £139k).

Funding partnerships

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

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

Foundations, charitable trusts, associations and individuals

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

Corporate Support

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

Endowed and Restricted Funds

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

Legacies

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

Structure, governance and management

Charter

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

Constituent parts

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

Trustees

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

Officers

President	Mr T Mitchell (from 13 July 2023) Professor N Mortensen (to 13 July 2023)
Vice-Presidents	Professor F Myint Professor P Friend (from 13 July 2023) Professor V Lees (from 13 July 2023) Mr T Goodacre (to 13 July 2023) Mr T Mitchell (to 13 July 2023)
Dean of the Faculty of Dental Surgery	Dr C Eckhardt (from 16 June 2023) Mr M Garrett (to 16 June 2023)

Elected Trustees

Mr L Wijesinghe (from 14 July 2022)	Mr P Davé
Mr W Allum (from 8 June 2023)	Mr S Davis
Professor F Bhatti (from 8 June 2023)	Mr R Greig
Miss R Hargest (to 7 July 2022)	Miss J Kirby (from 27 July 2023)
	Lord A Morse (to 8 April 2023)

Lay Trustees

Members of Council

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

Elected surgical and dental fellows

Mr A Ahmed	Mr O Karim (from 7 July 2022)
Mr W Allum	Dr C Eckhardt (from 16 June 2023)
Professor F Bhatti	Ms G Bowbrick (from 13 July 2023)
Professor P Brennan	Professor A Carr (from 13 July 2023)
Professor P Friend	Ms D Kufeji (from 13 July 2023)
Miss R Hargest	Miss B Lovett (from 13 July 2023)
Miss S Howells	Mr R Moorthy (from 13 July 2023)
Professor C Lavy	Professor P Sagar (from 13 July 2023)
Professor V Lees	Mr M Garrett (to 16 June 2023)
Professor I Loftus	Mr T Goodacre (to 13 July 2023)
Mr T Mitchell	Mr R Kerr (to 13 July 2023)
Professor F Myint	Professor N Mortensen (to 13 July 2023)
Professor F Smith	Mr A Nanu (to 13 July 2023)
Miss S Vig	Mrs V Pegna (to 13 July 2023)
Mr L Wijesinghe	Professor T Rockall (to 13 July 2023)
Miss N Yassin	Mrs S Hill (to 7 July 2022)
Miss N Fearnhead (from 7 July 2022)	Mr P O'Flynn (to 7 July 2022)
Miss L Hamilton (from 7 July 2022)	

Surgical specialty association members

Professor R Sayers	Mr S Kendall (to 12 July 2022)
Mr N Moorjani (from 7 July 2022)	Mr E Nicholls (to 12 July 2022)
Mr S Singh (from 1 November 2022)	Mr S Dover (to 13 July 2023)
Mr K Allison (from 13 July 2023)	Mr J Glass (to 13 July 2023)
Mr J Epstein (from 13 July 2023)	Mr T Goodacre (to 13 July 2023)
Mr W Hellier (from 13 July 2023)	Mr N Philips (to 13 July 2023)
Professor I Kamaly-Asl (from 13 July 2023)	Professor P Sagar (to 13 July 2023)
Professor N Soomro (from 13 July 2023)	Professor J Skinner (to 13 July 2023)
Mr B Visavadia (from 13 July 2023)	Mr P Spraggs (to 13 July 2023)
Mr F Monsell (from 13 July 2023)	

Governance

The Board of Trustees has responsibility for the overall direction of the College, but delegates all substantive matters relating to professional and public policy to the Council and allows the Council to further delegate its powers.

All trustees and Council members are given an induction course and ongoing training on their responsibilities and other matters as required.

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

The committees of the Board are:

Committee	Chair
Audit and Risk Committee	Mr P Davé
Finance and Investment Committee	Miss J Kirby (from 27 July 2023) Lord A Morse (to 8 April 2023)
People and Culture Committee	Mr R Greig

The committees of the Council are:

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

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

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

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

Fellows and Members as at 30 June 2023	2023	2022
Commonality of Surgeons		
UK	14,196	14,000
Overseas	4,931	4,743
Affiliates	1,658	1,584
Total	20,785	20,327
Faculty of Dental Surgery		
UK	3,493	3,487
Overseas	907	866
Total	4,400	4,353
Joint members of FDS and FGDP(UK) (MJDF)		
UK	196	300
Overseas	88	118
Total	284	418
Total Fellows and Members		
UK	19,543	19,371
Overseas	5,926	5,727
Total	25,469	25,098

Management

Principal managers employed during 2022-23

Chief Executive	Mr A Reed
Deputy Chief Executive	Mrs J Weller
Executive Director (Resources)	Ms J Porritt (to 1 September 2023)
Executive Director (Learning and Quality)	Mr S Hills
Executive Director (Membership, Marketing, Communications)	Ms L Davies
Director of Finance	Ms C Hibbs
Director of Dental and Surgical Exams	Mr A Landau
Director of Learning	Ms L Goldring
Director of Library and Archives	Mr R Williams
Director of Membership	Ms N Rowe
Director of Museums	Ms D Kemp
Director of Research and Quality Improvement	Mr R Tomlinson
Director of Strategy, Training and Workforce	Ms K Smith
Registrar of the Faculty of Dental Surgery	Ms H Johnstone

Statement of trustees' responsibilities

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

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

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

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

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

Auditor

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

Signed on behalf of the members of the Board of Trustees on 2 November 2023.



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



Professor F Myint
*Senior Vice-President of Council
Member of the Board of Trustees*

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

Opinion

We have audited the financial statements of the Royal College of Surgeons of England ("the Charity") and its subsidiaries ("the group") for the year ended 30 June 2023 which comprise Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent Charity's affairs as at 30 June 2023 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) [ISAs (UK)] and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity or the group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on [page 44](#), the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and

disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities Statement of Recommended Practice (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

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

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

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP
Statutory Auditor
London
Date 27 November 2023

Crowe U.K. LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Financial Statements

Consolidated statement of financial activities for the year ended 30 June 2023

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Totals £000	2022 £000
Income from						
Grants, donations and legacies	5a	976	4,964	-	5,940	5,314
Charitable activities	5b	24,739	185	-	24,924	21,715
Trading activities	5c	1,046	55	-	1,101	363
Investment Income	5d	1,097	26	457	1,580	692
Other income	5e	-	-	-	-	-
Total Income		27,858	5,230	457	33,545	28,084
Expenditure On						
Raising funds	6a	583	219	234	1,036	1,021
Charitable activities	6b	24,669	5,421	-	30,090	26,867
Other expenditure	6c	4,983	-	-	4,983	6,558
Total Expenditure		30,235	5,640	234	36,109	34,446
Net income/(expenditure) before investment gains/(losses)		(2,377)	(410)	223	(2,564)	(6,362)
Net gains/(losses) on investments	11	(678)	43	746	111	(1,242)
Net income/(expenditure)		(3,055)	(367)	969	(2,453)	(7,604)
Application of total return	18	-	1,488	(1,488)	-	-
Net movement in funds for the year		(3,055)	1,121	(519)	(2,453)	(7,604)
Balances brought forward at 1 July	19	93,565	4,748	39,174	137,487	145,091
Balances carried forward at 30 June	19	90,510	5,869	38,655	135,034	137,487

The notes to the financial statements are on [pages 51 to 83](#).

Consolidated balance sheet as at 30 June 2023

	Notes	2023		2022	
		GROUP £000s	RCS £000s	GROUP £000s	RCS £000s
Fixed assets					
Tangible fixed assets	9	102,676	102,676	104,001	104,001
Intangible fixed assets	9	1,284	1,284	1,855	1,855
Investments	11	72,906	72,906	74,898	74,898
Total fixed assets		176,866	176,866	180,754	180,754
Current assets					
Stock		41	41	67	67
Debtors	12	8,861	9,480	5,148	5,235
Cash and short-term deposits		8,221	8,221	10,841	10,841
Total current assets		17,123	17,742	16,056	16,143
Creditors: amounts falling due within one year	13	(15,854)	(16,473)	(16,117)	(16,204)
Net current assets/(liabilities)		1,269	1,269	(61)	(61)
Long-term liabilities					
Creditors: amounts falling due after more than one year	13	-	-	-	-
Defined benefit pension liability	20	(3,101)	(3,101)	(3,206)	(3,206)
Long term loan	13	(40,000)	(40,000)	(40,000)	(40,000)
Total long-term liabilities		(43,101)	(43,101)	(43,206)	(43,206)
Net assets		135,034	135,034	137,487	137,487
Funds					
Fixed asset funds		68,161	68,161	70,057	70,057
Other designated funds		642	642	1,108	1,108
Property revaluation reserve		2,959	2,959	4,184	4,184
Pension reserve	20	(3,101)	(3,101)	(3,206)	(3,206)
General funds		21,849	21,849	21,422	21,422
Total unrestricted funds	16	90,510	90,510	93,565	93,565
Restricted funds	17	5,869	5,869	4,748	4,748
Endowed funds	18	38,655	38,655	39,174	39,174
Total funds		135,034	135,034	137,487	137,487

The notes on [pages 51 to 83](#) form part of these financial statements. The parent charity deficit for the year is £2.45m (2022: £7.6m deficit).

Approved on behalf of the members of the Board of Trustees and authorised for issue on 2 November 2023.



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



Professor F Myint
Senior Vice-President of Council
Member of the Board of Trustees

Consolidated cash flow statement as at 30 June 2023

	Notes	Total funds	
		2023 £000	2022 £000
Net cash provided by (used in) operating activities	A	(4,293)	(1,882)
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,580	692
Proceeds from the sale of property		-	-
Purchase of property, plant and equipment		(2,010)	(3,918)
Proceeds from sale of investments		2,777	3,052
Purchase of investments		(674)	(520)
Net cash provided by / (used in) investing activities		1,673	(694)
Cash flows from financing activities:			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Receipt of endowment		-	-
Net cash provided by (used in) financing activities		-	-
Change in cash and cash equivalents in the reporting period		(2,620)	(2,576)
Cash and cash equivalents at the beginning of the reporting period	B	10,841	13,417
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	B	8,221	10,841

A. Reconciliation of cash flows from operating activities

Net income for the reporting period (as per statement of financial activities)	(2,453)	(7,604)
Adjust for: Profit on disposal of long lease	-	-
Net income/(expenditure) from operating activities	(2,453)	(7,604)
Adjustments for:		
Depreciation charges	2,608	2,681
(Gains)/losses on investments	(111)	1,242
Dividends, interest and rents from investments	(1,580)	(692)
Loss on disposal of fixed assets	1,298	-
(Increase)/decrease in stocks	26	1
(Increase)/decrease in debtors	(3,713)	2,014
Increase/(decrease) in creditors	(368)	476
Net cash provided by/(used in) operating activities	(4,293)	(1,882)

B. Analysis of cash and cash equivalents

Current and short term deposits	8,221	10,841
Total cash and cash equivalents	8,221	10,841

The notes on [pages 51 to 83](#) form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2023

1. Charity information

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

2. Basis of preparation

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

The financial statements consolidate on a line by line basis the financial statements of the Royal College of Surgeons of England and of its subsidiary undertaking, Hunter Trading Ltd (company number: 3110552), for the financial year ended 30 June 2023. Intergroup transactions are eliminated on consolidation. Hunter Trading Ltd is a private limited company incorporated in England and Wales.

2.1 Going concern

The financial statements have been prepared on a going concern basis. While the College has returned a reasonably strong performance for 2022–23, the ongoing economic uncertainty both within the UK and globally continues to present financial challenges in terms of the impact of a rising cost of operations on our margins and the potential for instability in our revenue base. It is against this backdrop that a robust review has been undertaken of the College's financial position and financial resilience for the period up to 30 June 2025.

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

The College has updated its long-term revenue and cash projections for its latest results, annual plan and other expected changes in its operating position over the next 18 to 24 months. The projections are stress-tested and set the minimum long-term operating surplus target that the College must achieve in order to meet its interest and repayment obligations in the medium to longer term. With £40m of long-term financing secured in November 2020 the College has sufficient cash reserves to support its general operations over the next 18 to 24 months.

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

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

2.2. Prior year re-statement of debtors and creditors

We note a prior period adjustment of debtors and creditors in respect of the treatment of interfund debtor and creditor balances of £1.25m. The amount in other debtors and accruals in 2022 was previously stated as £1.338m and £7.265m but are revised to £88k and £6.015m after removing the compensating interfund balances of £1.25m.

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

Significant areas of estimation uncertainty in respect of the financial statements to 30 June 2023 are set out below:

- Application of component accounting in respect of fixed asset items with significantly different useful economic lives.
- Determination of useful economic lives for fixed asset items.
- Determination of mixed-use property.
- Calculation of defined benefit pension scheme liabilities.

3.1. Component accounting

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

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

3.2. Useful economic lives

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

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

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

3.3. Mixed-use property

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

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

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

3.4. Defined benefit pension scheme liabilities

The College participates in two multi-employer defined benefit pension schemes where the College is exposed to actuarial risks associated with other participating entities and is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis.

Where these pension schemes are in deficit on a Technical Provisions basis, in accordance with Section 28 of the FRS 102 (Employee Benefits), the College recognises and discloses its share of the liability arising for contributions payable in respect of the deficit recovery agreement in existence at the date of approving the financial statements and recognises the resulting expense in the statement of financial activities. The College uses a deficit recovery model issued by the USS to calculate its share of the liability in respect of the USS scheme, making a number of estimations including discount rate, payroll and headcount changes to calculate the changes in the annual liability provision. The estimations are set out in note 20 (Pension liabilities and charges).

4. Principal accounting policies

4.1. Income

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

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

4.2. Expenditure

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

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

- 4.2.1 Employee costs include the net movement in year on the provision for annual leave accrued by employees in respect of services rendered as required by FRS 102.

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

4.3. Taxation

The College is a registered charity incorporated by Royal Charter and as such is exempt from taxation on its income and gains to the extent that they are applied for its charitable purposes.

The College's wholly owned subsidiary, Hunter Trading Ltd, is liable to corporation tax, but all profits earned on its trading operations are gifted each year to the College.

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

4.4. Tangible and intangible fixed assets

4.4.1 *Tangible fixed assets*

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

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

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

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

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

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

The depreciation measures are set out as follows:

- vi. Freehold property assets are depreciated over component periods of 45, 60, 75 and 80 years.
- vii. Plant and machinery assets are depreciated over component periods of 20, 25 and 40 years.
- viii. Fixture and fittings assets are depreciated over component periods of 5, 10, 15, 20, 25, 30 and 50 years.
- ix. Infrastructure equipment assets are depreciated over component periods of 5, 8, 10 and 15 years.

- x. Furniture assets are depreciated over component periods of 5 and 10 years.
- xi. Computer and other equipment is depreciated over 4 years.

4.4.2 Intangible fixed assets

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

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

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

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

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

4.5. Fixed asset investments

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

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

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

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

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

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

4.6. Heritage assets

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

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

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

4.7. Stock

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

4.8. Cash and cash equivalents

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

4.9. Financial instruments

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

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

4.10. Post-employment benefits

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

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

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

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

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

4.11. Other provisions for liabilities

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

4.12. Operating leases

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

4.13. Funds

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

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

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

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

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

5. Income

	Unrestricted Funds	Restricted Funds	Endowed Funds	2023	2022
Income from:	£000	£000	£000	£000	£000
5a. Grants, donations and legacies					
Donations	91	584	-	675	860
Grants	-	4,380	-	4,380	3,141
Legacies	885	-	-	885	1,313
Total	976	4,964	-	5,940	5,314
5b. Charitable activities					
Courses	3,092	-	-	3,092	3,941
Examinations	8,523	-	-	8,523	5,771
Subscriptions	9,382	9	-	9,391	9,197
Quality and standards income	1,157	-	-	1,157	1,078
Other charitable income	2,585	176	-	2,761	1,728
Total	24,739	185	-	24,924	21,715
5c. Trading activities					
Income from charitable trading	390	55	-	445	237
Income from taxable trading	656	-	-	656	126
Total	1,046	55	-	1,101	363
5d. Investment income					
Investment property income	894	-	-	894	172
Investment portfolio income	191	26	457	674	520
Interest received	12	-	-	12	-
Total	1,097	26	457	1,580	692
Income Total	27,858	5,230	457	33,545	28,084

Major legacies or gifts notified but not included in the financial statements, as they do not meet the income recognition criteria of entitlement, probability of receipt and measurement at the balance sheet date amount to £231k (2022: £705k).

6. Expenditure

	Unrestricted Funds	Restricted Funds	Endowed Funds	2023	2022
	£000	£000	£000	£000	£000
Expenditure on:					
6a. Raising funds					
Fundraising costs	445	206	-	651	588
Investment management fees	138	13	234	385	433
Total	583	219	234	1,036	1,021
6b. Charitable activities					
Quality and standards	1,632	1,866	-	3,498	3,843
Career and professional development	6,608	447	-	7,055	6,086
Influence and engagement	2,821	201	-	3,022	2,469
Training and assessing surgeons	8,242	70	-	8,312	5,952
Promoting public and professional engagement	3,008	224	-	3,232	3,091
Research and fellowships (Note 7)	-	2,554	-	2,554	2,737
Faculty of Dental Surgery	2,358	59	-	2,417	2,594
Faculty of General Dental Practice	-	-	-	-	95
Total	24,669	5,421	-	30,090	26,867
6c. Other expenditure					
38-43 Lincoln's Inn Fields depreciation	2,397	-	-	2,397	2,357
Fixed assets written off during the year	1,298	-	-	1,298	-
Interest payable	888	-	-	888	888
Other expenditure	400	-	-	400	3,313
Total	4,983	-	-	4,983	6,558
Expenditure Total	30,235	5,640	234	36,109	34,446

Allocated support costs

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

Support Services	Allocation Basis	2023	2022
		£000	£000
Building Services	Space occupied	1,445	997
Visitor Management Services	Full-time equivalent staff	1,181	1,104
Human Resources	Full-time equivalent staff	322	339
Finance Services	Full-time equivalent staff	1,650	1,606
IT Services	Full-time equivalent staff	2,943	2,397
Governance costs	Other professional activities	1,319	752
Total Support Costs		8,860	7,195

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

	2023 £000	2022 £000
Auditors' remuneration		
Auditor fees – parent charity	62	58
Auditor fees – Hunter Trading Ltd	4	4
Auditors non-audit fees	7	9
Total	73	71

Support Costs Allocation	Direct costs £000	Grants made £000	Support costs £000	2023 £000	2022 £000
Expenditure on:					
Raising funds					
Fundraising costs	365	-	286	651	588
Investment management fees	385	-	-	385	433
Total	750	-	286	1,036	1,021
Charitable activities					
Quality and standards	2,460	-	1,038	3,498	3,843
Career and professional development	4,981	-	2,074	7,055	6,086
Influence and engagement	1,384	-	1,638	3,022	2,469
Training and assessing surgeons	6,863	-	1,449	8,312	5,952
Promoting public and professional engagement	1,817	-	1,415	3,232	3,091
Research	696	1,647	211	2,554	2,737
Faculty of Dental Surgery	1,668	-	749	2,417	2,594
Faculty of General Dental Practice	-	-	-	-	95
Total	19,869	1,647	8,574	30,090	26,867
Expenditure Total	20,619	1,647	8,860	31,126	27,888

7. Research grants

	2023 £000	2022 £000
Research grants expenditure		
Research fellowships	1,640	1,765
Travelling fellowships & other projects	7	3
Surgical Trial Units	365	514
Administration	542	455
Total Expenditure	2,554	2,737
Research fellowships		
Liabilities at the start of the year	(1,786)	(1,951)
Paid in the year	1,596	1,930
Liabilities at the end of the year	1,830	1,786
Charge for the year	1,640	1,765
Awards	No.	No.
Research awards	80	80
Travel awards	8	5
Total	88	85
Research awards include:		
1 year fellowships	27	28
2 year fellowships	2	3
3 year fellowships	1	1
Dental fellowships	10	12
Intercalated Bachelor of Science awards	21	18
	£000	£000
Grants awarded to individuals at institutions with which members of Council are connected	663	860

Grants totalling £663k were awarded to individuals at institutions with which members of Council are connected (2022: £860k). These members of Council did not participate in the decisions to award the respective grants.

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

8. Employee information

	2023 £000	2022 £000
Salaries and wages	10,003	8,928
National Insurance costs	1,117	981
Pension costs	1,535	3,077
Total	12,655	12,986

Redundancy and termination payments arising from restructuring activities during the year totalled £10,378 (2022: £nil).

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

	2023 Nos.	2022 Nos.
Clinical Effectiveness Unit	22	17
Dental & Surgical Examinations	30	26
Fundraising	5	5
Executive Office	8	6
Faculty of Dental Surgery	10	13
Global Affairs	4	5
Joint Committee on Surgical Training	25	22
Learning	25	23
Library & Museum	26	26
Membership & Engagement	34	33
Transform	4	4
Quality Improvement	12	10
Research	5	5
Support Services	36	36
Total	246	231

The average number of staff employed during the year was 239 (2022: 226)

At 30 June the number of employees whose emoluments exceeded £60k was:

£60,000 - £70,000	20	11
£70,001 - £80,000	7	4
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
£100,001 - £110,000	1	2
£110,001 - £120,000	2	2
£120,001 - £130,000	1	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	1	1

The College's key management personnel are set out on [page 43](#) of the Trustees' Report. Total employee benefits received in the year by the College's key management personnel amounted to £1.74m (2022: £1.663m).

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

9. Fixed assets (Group and Charity)

	Freehold Land	Freehold Property	Fixture and Fittings	Plant and Machinery	Infra-structure Equipment	Furniture	Computer and Other Equipment	Assets in course of construction	2023
Tangible Fixed Assets	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost at 1 July 2022	1,945	71,721	13,061	12,233	1,594	1,382	669	4,672	107,277
Additions during the year	-	149	-	-	35	-	114	1,071	1,369
Assets written off during year	-	-	-	-	-	-	-	(25)	(25)
Fixed asset re-allocations	-	-	4,713	387	190	-	-	(5,466)	(176)
At 30 June 2023	1,945	71,870	17,774	12,620	1,819	1,382	783	252	108,445
Depreciation at 1 July 2022	-	(1,104)	(609)	(578)	(186)	(279)	(520)	-	(3,276)
Charge for the year	-	(948)	(542)	(497)	(169)	(240)	(97)	-	(2,493)
Assets written off during year	-	-	-	-	-	-	-	-	-
Fixed asset re-allocations	-	-	-	-	-	-	-	-	-
At 30 June 2023	-	(2,052)	(1,151)	(1,075)	(355)	(519)	(617)	-	(5,769)
Net Book Value 2022	1,945	70,617	12,452	11,655	1,408	1,103	149	4,672	104,001
Net Book Value 2023	1,945	69,818	16,623	11,545	1,464	863	166	252	102,676

	Computer Software	Assets in course of construction	2023
Intangible Fixed Assets	£000	£000	£000
Cost at 1 July 2022	2,870	1,568	4,438
Additions during the year	-	641	641
Assets written off during year	-	(1,273)	(1,273)
Fixed asset re-allocations	176	-	176
At 30 June 2023	3,046	936	3,982
Depreciation at 1 July 2022	(2,583)	-	(2,583)
Charge for the year	(115)	-	(115)
Assets written off during year	-	-	-
Fixed asset re-allocations	-	-	-
At 30 June 2023	(2,698)	-	(2,698)
Net Book Value 2022	287	1,568	1,855
Net Book Value 2023	348	936	1,284

The build and fit-out works in respect of the Hunterian Museum were fully completed by 24 May 2023. The total development cost of £5.47m has been transferred from assets in the course of construction and allocated across the relevant fixed asset categories of plant and machinery, fixtures and fittings, infrastructure equipment and computer software.

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

Investment in the College's digital transformation agenda, including the build of a new customer relations management system and enterprise platform, is held under intangible assets in the course of construction (£641k). After the initial development phase was halted during the pandemic, a new development partner was engaged and fundamental changes were made to the existing system plan and design. Management determined that there was no further use for the asset in the course of construction in relation to the initial phase of works and that this cost of £1.27m should be written off in this year.

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

A valuation of the freehold property as at 30 June 2023 was carried out by Gerald Eve, the College's real estate management agency, with an inspection taking place on 12 June 2023. The property is valued at £90.1m, a reduction of nearly 13% or £13.1m from the 2022 valuation. This decline in value across both land and building reflects the impact of higher interest rates on London property market yields during the year. This compares to a total cost of £102.3m. The valuers have confirmed that there have been no material changes to the property or its immediate locality between the inspection date and the valuation date of 30 June 2023.

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

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

10. Heritage assets

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

The College's heritage assets comprise the designated collections held by the College library, museum and archives. The museum and library closed in June 2017 ahead of the redevelopment of the estate and the collections were stored in appropriate secure facilities and with partner organisations across a number of locations for the period of the redevelopment. The library and archive collections returned to the College during the financial year 2021–22 and the majority of the museum's collections were returned to the College for installation in the new museum which opened in May 2023. The remaining collections continue to be stored in appropriate secure facilities. No heritage assets were capitalised during the year as none exceeded the capitalisation threshold of £1,000.

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

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

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

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

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

11. Investments

	Portfolio £000	Property £000	2023 £000	2022 £000
Investments				
Quoted securities at market value	57,657	-	57,657	62,171
Deposits with Investment Managers	4,829	-	4,829	1,082
Investment properties at fair value	-	10,420	10,420	11,645
Fair value at 30 June	62,486	10,420	72,906	74,898
Movements in the year:				
Fair value at 1 July	63,253	11,645	74,898	78,672
Additions	674	-	674	520
Disposals	(2,777)	-	(2,777)	(3,052)
Net gain/(loss) during the year	1,336	(1,225)	111	(1,242)
Fair value at 30 June	62,486	10,420	72,906	74,898
Cost at 30 June	60,327	4,537	64,864	67,390
Portfolio UK investments	4,829	-	4,829	1,082
Portfolio overseas investments	57,657	-	57,657	62,171
Portfolio fair value at 30 June	62,486	-	62,486	63,253

	Cost £000	Fair Value 2022 £000	Fair Value 2023 £000	SOFA Gain/(Loss) £000
Investment Properties				
49-50a Lincoln's Inn Fields	336	3,125	2,630	(495)
38-43 Lincoln's Inn Fields (Leased Floor 2)	4,201	8,520	7,790	(730)
Investment Property	4,537	11,645	10,420	(1,225)

Our investment fund managers may enter into commitments to purchase various currencies under forward rate contracts as part of their overall investment management strategy. At 30 June 2023 there were no such forward contract commitments (2022: -£187k).

The second floor of the freehold property, which is intended to be leased to other organisations and is not therefore available for operational use, is held as an investment property. The investment property had a cost of £4.2m on transfer from tangible fixed assets in 2021. A valuation of £7.79m exclusive of VAT has been attributed to the investment property as part of the valuation of the whole building carried out by Gerald Eve on 12 June 2023 resulting in a revised overall net unrealised gain of £3.6m and a decrease of £730k on 2022 (2022: £4.3m). A discount of 1% (2022: 1.15%) has been applied to the rental yield assumptions to reflect the “strip” nature of the investment property.

A valuation of the College's investment property at 49–50a Lincoln's Inn Fields at 30 June 2023 was also carried out by Gerald Eve on 12 June 2023. This resulted in the carrying value of these assets decreasing by £495k to £2.63m (2022: £3.125m), reflecting both the relative condition of the property and also the decreasing income security ahead of the main tenant break date in February 2025.

The valuers have confirmed that there have been no material changes to the properties or their immediate locality between the inspection date and the valuation date of 30 June 2023. The valuations are undertaken by an independent valuer as defined by the Valuation Standards and assurance is obtained that the individuals carrying out these valuations have the appropriate knowledge, skills and experience to undertake the valuation competently.

12. Debtors

	2023		2022	
	Group	RCS	Group	RCS
	£000	£000	£000	£000
Trade debtors	2,772	2,772	1,696	1,696
Membership debtors	1,638	1,638	1,542	1,542
Accrued income	3,365	3,365	1,232	1,232
Prepayments	677	677	590	590
Other debtors including taxation	409	409	88	88
Amounts owed to group undertakings	-	619	-	87
Total	8,861	9,480	5,148	5,235

13. Creditors

	2023		2022	
	Group	RCS	Group	RCS
	£000	£000	£000	£000
13a. Amounts falling due within one year				
Accruals	4,252	4,252	6,015	6,015
Membership income in advance	3,456	3,456	3,333	3,333
Deferred income	4,729	4,729	3,971	3,971
Research grants payable	1,830	1,830	1,786	1,786
Trade creditors	1,014	1,014	657	657
Other creditors	291	291	72	72
Taxation and social security	282	282	283	283
Defined benefit pension liability	-	-	-	-
Amounts owed to group undertakings	-	619	-	87
Total	15,854	16,473	16,117	16,204
13b. Amounts falling due after one year				
Research grants payable	-	-	-	-
Defined benefit pension liability	3,101	3,101	3,206	3,206
Long-term loan	40,000	40,000	40,000	40,000
Total	43,101	43,101	43,206	43,206
13c. Analysis of deferred income				
Brought forward at 1 July	3,971	3,971	4,144	4,144
Deferred during the year	4,729	4,729	3,971	3,971
Released as income during the year	(3,971)	(3,971)	(4,144)	(4,144)
Carried forward at 30 June	4,729	4,729	3,971	3,971

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

Long-term loan

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

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

14. Financial instruments

	2023	2022
	£000	£000
Financial assets measured at amortised cost	16,396	15,393
Financial assets measured at fair value	62,486	63,253
Financial liabilities measured at amortised cost	(46,863)	(48,167)

15. Hunter Trading Limited

	2023	2022		2023	2022
	£000	£000		£000	£000
Profit & loss account			Balance sheet		
Income	656	126	Debtors	619	87
Expenditure	37	39	Creditors: due within 1 year	(619)	(87)
Profit before tax	619	87			
Profits gifted to RCS	(619)	(87)	Net Assets	-	-
Result for the Year	-	-			

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

Conference events trading recommenced in 2021–22 following the opening of the new building in May 2021. The College entered into a commission agreement in 2021 with Searcys, a long-established, independent and highly respected catering company. Commission under the profit share arrangement became receivable for the first time in this second year of trading. The company has delivered a very strong trading performance that has exceeded expectations for this year. The café posted a deficit of £7k for the year which is borne fully by the College (2022: £15k).

16. Unrestricted funds

	2022	Net Surplus/ (Deficit)	Investment Gains/ Losses	SOFA Allocation	Fixed Asset Allocation	Long Term Loan	Transfers from/(to) other Funds	2023
	£000	£000	£000	£000	£000	£000	£000	£000
Fixed assets reserve net of LT loan	70,057	-	-	(3,906)	2,010	-	-	68,161
Other designated funds	1,108	-	-	-	(466)	-	-	642
Property revaluation reserve	4,184	-	(1,225)	-	-	-	-	2,959
Pension reserve	(3,206)	-	-	105	-	-	-	(3,101)
General funds	21,422	(2,377)	547	3,801	(1,544)	-	-	21,849
Total	93,565	(2,377)	(678)	-	-	-	-	90,510

Unrestricted reserves have decreased overall by 3% or just over £3m in the year. This is represented by a net expenditure position of £2.4m for the year and a net unrealised loss of £678k on unrestricted investments.

The investment loss comprises a net unrealised gain of £547k in respect of the unrestricted investments portfolio and a net unrealised loss of £1.225m in respect of investment properties. The investment property loss comprises a loss of £730k in respect of the leased second floor and a loss of £495k in respect of 49–50 Lincoln's Inn Fields. A property revaluation reserve is set up to hold investment gains or losses arising in respect of the investment properties.

General funds have risen 2% or £427k to £21.85m. The £40m loan to finance the property redevelopment is allocated to the fixed asset reserve, thereby reducing the amount of the College's funds that are required to be invested in its fixed assets. In-year capital additions transferred to the fixed assets reserve totalled £2m.

General funds are broadly represented by the value of the unrestricted investment portfolio. The unrestricted investment portfolio stands at £20.94m as at 30 June 2023, providing 96% cover for general funds of £21.85m.

Unrestricted funds include a negative pension reserve of £3.1m to fund the FRS 102 USS pension deficit liability (see [note 20](#)).

The trustees designated £1.5m in 2021 (Other designated funds) to support the next major phase of the digital transformation agenda. A total of £466k had been expended by the end of the year and transferred to the fixed assets reserve leaving a closing fund balance of £642k.

17. Restricted funds

	2022	Income	Expenditure	Gains/(Losses)	Transfers	2023
	£000	£000	£000	£000	£000	£000
Trust Funds	2,207	319	(591)	43	-	1,978
Other restricted funds	2,541	4,911	(3,561)	-	-	3,891
Total Restricted Funds	4,748	5,230	(4,152)	43	-	5,869
RCS has 26 trust funds and their position is set out below:						
Research Trust Funds:						
Sir Alan Parks Research Fund	182	2	(1)	3	-	186
Saven Research & Development Programme	241	253	(122)	5	-	377
Surgical Research Fund	237	12	(68)	4	-	185
Mr Sorab J Lam Legacy	215	3	(85)	4	-	137
Ethicon Travelling Fellowship	191	3	(9)	4	-	189
Moondance Foundation	151	2	(156)	3	-	-
Modi Fund	137	1	(1)	3	-	140
Blond McIndoe (Joint Fund with Education)	95	1	(1)	2	-	97
The Arthritis Research Trust	78	1	-	3	-	82
Roberta Swan Legacy	75	1	(69)	1	-	8
Preiskel Fund	72	3	(4)	2	-	73
RCSE Fellows Fellowship Fund	53	25	-	-	-	78
Miss Carol Rummey Legacy	53	1	(1)	1	-	54
Gunnar Nilsson Cancer Treatment Trust Fund	53	8	(47)	2	-	16
Dunhill Medical Trust	24	-	(24)	-	-	-
Curry Legacy Damage/Pain	17	-	-	-	-	17
H Speight Discretionary Trust	17	-	-	-	-	17
Phyllis A George Legacy	8	-	-	-	-	8
Cutner Legacy	7	-	-	-	-	7
Rex & Jean Lawrie O/S Fund	5	-	-	-	-	5
Ethicon Research Fund	1	-	-	-	-	1
Shrimpton Fund	1	-	-	-	-	1
Education & Training Trust Funds:						
E&T Haddock Legacy	97	1	(1)	2	-	99
Faculty of Dental Surgery Funds:						
J W Mclean Fund	197	2	(2)	4	-	201
Total Trust Funds	2,207	319	(591)	43	-	1,978
Other restricted funds:						
National Cancer Audit Collaborating Centre	-	1,399	(240)	-	-	1,159
Transform Fundraising	554	55	(206)	-	-	403
National Lung Cancer Audit	118	294	(62)	-	-	350
eDEN (elearning for dentistry)	249	20	2	-	-	271
National Vascular Registry	229	316	(289)	-	-	256
Robotics	250	-	-	-	-	250
Expert Advisory Network	102	55	(9)	-	-	148
National Prostate Cancer Audit	96	298	(251)	-	-	143
FDS-NAC	148	10	(22)	-	-	136
Breast Cancer Project	150	74	(89)	-	-	135
NIHR Clinical Research	-	120	(3)	-	-	117
Other Balances less than £100,000	645	2,270	(2,392)	-	-	523
Total Other Funds	2,541	4,911	(3,561)	-	-	3,891
Total Restricted Funds	4,748	5,230	(4,152)	43	-	5,869

18. Endowed funds

	Unapplied Total Return	Permanent Capital	Total Endowment
	£000	£000	£000
Endowed Funds at 1 July 2022	24,223	14,951	39,174
Investment income	457	-	457
Legacy income	-	-	-
Investment gains/(losses)	746	-	746
Total income and gains	1,203	-	1,203
Application of total return	(1,488)	-	(1,488)
Investment management fees	(234)	-	(234)
Total application and fees	(1,722)	-	(1,722)
Net movement in year	(519)	-	(519)
Total Endowed Funds at 30 June 2023	23,704	14,951	38,655

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

Fund Name	Unapplied Total Return 2022 £000	Legacy income £000	Investment Income £000	Investment Gains/ (Losses) £000	Applied Total Return 2023 £000	Investment Fees £000	Transfer of Funds £000	Unapplied Total Return 2023 £000	Permanent Capital £000	2023 Total £000
RCSE Research Fund	5,244	-	106	172	(358)	(54)	-	5,110	3,784	8,894
RCSE Education Fund	4,505	-	79	130	(384)	(41)	-	4,289	2,262	6,551
RCSE Cancer Research Fund	3,327	-	59	96	(213)	(30)	-	3,239	1,756	4,995
Presidents Finch Fund	1,357	-	40	65	(73)	(20)	-	1,369	2,108	3,477
Dental Science Research Fund	1,571	-	31	50	(103)	(16)	-	1,533	1,016	2,549
Rank Chair Physics in Surgery	1,462	-	29	47	(108)	(15)	-	1,415	955	2,370
RCSE Library Fund	1,350	-	25	41	(97)	(13)	-	1,306	833	2,139
RCSE Biochemical Research Fund	775	-	14	22	(41)	(7)	-	763	374	1,137
Macrae-Webb Johnson Fund	443	-	10	17	(40)	(5)	-	425	425	850
Witt Fund	630	-	9	15	(3)	(5)	-	646	182	828
Moser Trust (FDS)	544	-	8	13	(2)	(4)	-	559	173	732
HS Morton Travelling Fellowship	432	-	7	12	(7)	(4)	-	440	200	640
Groves Bequest for Museum	426	-	7	11	(22)	(3)	-	419	161	580
George Qvist for Hunterian	356	-	7	11	(22)	(3)	-	349	209	558
John Kinross Fund	422	-	6	10	(2)	(3)	-	433	104	537
RCSE Prize Fund	371	-	5	8	(2)	(3)	-	379	61	440
Sims Commonwealth Travel Fellowship	250	-	4	7	(1)	(2)	-	258	106	364
Commemoration Fund (FDS)	207	-	3	5	(1)	(2)	-	212	66	278
RCSE Scholarship Fund	177	-	3	4	(1)	(1)	-	182	51	233
Rishworth Fund for Annals	141	-	2	4	(1)	(1)	-	145	50	195
Darlow Fellowship Fund	121	-	2	4	(3)	(1)	-	123	67	190
RCSE Museum Fund	112	-	1	2	(4)	(1)	-	110	8	118
Total Endowed Funds	24,223	-	457	746	(1,488)	(234)	-	23,704	14,951	38,655

8 of the 22 funds have closing balances greater than £1m, amounting to £32.1m of the £38.65m of funds at 30 June 2023. A brief description of their purposes is provided below.

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

The remaining 14 funds with balances of less than £1m, and amounting to £6.5m, are summarised under the following categories:

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

19. Analysis of net assets between funds

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

	Unrestricted Funds	Restricted Funds	Endowed Funds	2023
As at 30 June 2022	£000	£000	£000	£000
Tangible fixed assets	104,001	-	-	104,001
Intangible fixed assets	1,849	6	-	1,855
Investments	32,879	2,334	39,685	74,898
Current assets	11,535	3,967	554	16,056
Current liabilities	(13,493)	(1,559)	(1,065)	(16,117)
Liabilities after 1 year	(43,206)	-	-	(43,206)
Total Funds	93,565	4,748	39,174	137,487

20. Pension liabilities and charges

	2023	2022
	£000	£000
USS Defined pension liability	3,101	3,206
Liability less than 1 year	-	-
Liability greater than 1 year	3,101	3,206
Summary of pension scheme charges to Statement of Financial activities:		
USS	744	2,435
SAUL	659	525
Standard Life	90	76
NHS	42	41
Total	1,535	3,077
Charges in respect of the USS scheme to Statement of Financial activities:		
Employer contributions	849	832
Contributions allocated to deficit provision	(244)	(79)
Change in contributions from past expectations	20	1,656
Total pension contribution cost	625	2,409
Interest payable	119	26
Total pension charge	744	2,435
Charges in respect of the SAUL scheme to Statement of Financial activities:		
Employer contributions	659	525
Release of liability provision	-	-
Total pension charge	659	525
Scheme employee members		
	Nos.	Nos.
USS	78	74
SAUL	103	99
Standard Life	32	32
NHS	4	7
Total employees in a pension scheme	217	212

The College participates in two multi-employer defined benefit pension schemes, USS and SAUL. Both schemes carry out a formal actuarial valuation every three years as required by the Pensions Act 2004. The latest available complete actuarial valuations were carried out with an effective date of 31 March 2020. The SAUL scheme carries out informal reviews of the funding position between formal valuations, reflecting changes in market conditions, cash flow information and new accrual of benefits.

The 2020 USS valuation was completed in October 2021 resulting in the current deficit recovery plan. The SAUL scheme reported a Technical Provisions deficit at the latest triennial valuation of 31 March 2020 but allowed for post-valuation positive market performance to 30 April 2021 which placed the scheme in a Technical Provisions surplus at that date and removed the requirement for any deficit recovery plan. The funding principles were agreed in June 2021.

In accordance with Section 28 of the FRS 102 reporting standard, the College is required to recognise its share of the liability for the contributions payable under any deficit recovery agreement in existence at the date of approving the financial statements and the resulting expense in the income and expenditure account. The calculated share of the defined pension scheme liability and charge to the statement of financial activities are allocated fully to unrestricted funds on the basis that the conditions pertaining to the use of the College's restricted funds preclude charges of this nature.

Assumptions used to calculate the share of USS pension liability

The liability has been recalculated using the USS financial model provided with reference to a deficit recovery period from 1 July 2022 to 30 April 2038.

Calculation Assumptions	2023	2022
Discount Rate	5.10%	3.70%
Projected Salary inflation:		
2023 to 2024	4.5%	2.0%
2024 to 2025	3.5%	2.0%
2025 to 2038	2.0%	2.0%

The discount rate is based on the iBoxx Sterling AA Corporate Bond rate over 15 years prevailing at the 30 June of each relevant year. Salary inflation assumptions take into account the level of annual pay increase set in the April before the relevant year-end and a prudent estimation of future salary inflation that aligns over an appropriate timeframe to the Bank of England long-term inflation target of 2%. The calculation includes an assumption that scheme member numbers will reduce marginally in the next year reflecting an ongoing realignment of member numbers to the qualifying grades for scheme membership. The assumptions underpinning the calculation reflect a prudent assessment of the available information and options but represents a key area of estimation uncertainty in the financial statements.

USS 2020 valuation

The 2020 valuation and funding proposals, which included making changes to future member benefits from 1 April 2022, were agreed by October 2021 and filed with The Pensions Regulator with an effective date of 1 October 2021.

Under the 2020 valuation and deficit recovery plan, the scheme contribution rates were set at 31.2% of salaries (employer 21.4%, employee 9.8%) between 1 October 2021 and 31 March 2022 with no deficit contribution payment required in this period (set at 2% up to 30 September 2021). This represented a rise of 0.5% (employer 0.3%, employee 0.2%) from the previous level of scheme contributions. From 1 April 2022 employer contributions increased by a further 0.2% raising total scheme contribution rates to 31.4% and the deficit contribution payment rose to 6.2%. These rates are in place for two years until 31 March 2024 when the employer contribution rate will fall back to 21.4% and the deficit contribution payment will rise to 6.3%. The past service contributions are expected to remove the deficit by 30 April 2038 based upon the assumptions set out in the recovery plan.

SAUL 2020 valuation

The 2020 actuarial valuation funding principles were agreed by the Trustee and employers in June 2021. These will be reviewed at the next formal valuation in 2023. The 2020 valuation confirmed that the scheme was 94% funded on its Technical Provisions basis at 31 March 2020 with its assets valued at £3,612m. However, the Trustee and employers agreed to allow for positive post-valuation market movements up to 30 April 2021 on which date SAUL reported a Technical Provisions surplus of £357m with its assets valued at £4,369m representing 109% of estimated liabilities. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required and there is no defined benefit liability to be recognised.

The 2020 valuation also revealed a significant increase in the cost of new benefit accrual and the contribution strain which led to the Trustee and employers agreeing to an increase in employer contributions from 16% of Career Average Revalued Earnings (CARE) salaries to 19% of CARE salaries from 1 April 2022 and to 21% of CARE salaries from 1 January 2023.

2023 valuations

The formal 2023 valuations for both schemes with an effective date of 31 March 2023 are in progress, with consultations with relevant stakeholders and employer covenant assessments being undertaken. The process is

expected to be completed in time for any changes to be implemented by April 2024. Both schemes are expecting the valuations to show improved funding positions, with both schemes expecting to be in surplus positions, reflecting the changes in market conditions since the 2020 valuations.

Supplementary scheme disclosures

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

USS

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective that is to have sufficient and appropriate assets to cover their Technical Provisions.

At the valuation date, the value of the assets of the scheme was £66.5bn and the value of the scheme's Technical Provisions was £80.6bn representing a shortfall of £14.1bn and funding ratio of 83%. The assets therefore were sufficient to cover 83% of the benefits that had accrued to members after allowing for expected future increases in earnings.

Scheme summary position at 31 March	2023 2020 Valuation
	£bn
Scheme assets	66.5
Scheme liabilities	80.6
FRS 102 Scheme Deficit	(14.1)
FRS 102 Funding Level	83%

The key financial and demographic assumptions used in the 2020 valuation are set out below.

2020 Valuation Assumptions

Financial assumptions

CPI assumptions	Term dependent rates in line with difference between Fixed interest and Index listed yield curves
Years to 2030	less 1.1% p.a.
2030 to 2040	reducing linearly by 0.1% p.a.
From 2040	long term difference of 0.1% p.a.
Pension increases	Subject to 0% floor, CPI assumption plus 0.05%
Discount rate (forward years)	Fixed interest gilt yield curve plus
Pre-retirement	2.75% p.a.
Post-retirement	1% p.a.

Demographic assumptions

Mortality base table	
Males	101% of S2PMA "light"
Females	95% of S3PFA
Future improvements to mortality	CM1_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

	2023 2020 Valuation	2022 2020 Valuation
Life expectancies on retirement at age 65		
Males currently aged 65 years	24.0	23.9
Females currently aged 65 years	25.6	25.5
Males currently aged 45 years	26.0	25.9
Females currently aged 45 years	27.4	27.3

SAUL

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

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

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

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

Other pension schemes

The College pays a contribution rate of 9% into the Standard Life defined contribution scheme and a contribution rate of 14.38% into the NHS Pension Scheme. No contributions in respect of these schemes were outstanding at the balance sheet date.

21. Transactions with trustees

No trustees receive any fees or honoraria for their services. Trustees may incur expenses in the carrying out of their duties; for example, travel, subsistence and accommodation costs. These expenses may be reimbursed to the trustees or paid directly by the College to third parties on their behalf. Expenses totalling £43k were incurred in respect of 8 trustees during the 2022–23 year (2022: £23k in respect of 8 trustees). There were no sessional payments made in the year (2022: £5k).

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

- provision of rental accommodation amounting to £79k (2022: £27k);
- provision of broadband amounting to £6k (2022: £35k);
- settlement of tax arising on the above benefits amounting to £71k (2022: £65k).

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

Donations totalling £1k were received from trustees during the current period (2022: £1k).

There were no related party transactions in the period.

22. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £0.9m in respect of software build and design contracts delivering the IT transformation programme (2022: £0.62m).

23. Operating leases

	2023	2022
	Office Equipment	Office Equipment
	£000	£000
Payments due:		
Within one year	13	13
Between one and two years	13	13
Between two and five years	9	22
Total	35	48

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

24. Restricted funds 2022 for comparison

	2021 £000	Income £00	Expenditure £000	Gains/(Losses) £000	Transfers £000	2022 £000
Trust Funds	2,449	216	(436)	(22)	-	2,207
Other restricted funds	2,839	4,049	(4,347)	-	-	2,541
Total Restricted Funds	5,288	4,265	(4,783)	(22)	-	4,748
RCS has 26 trust funds and their position is set out below:						
Research Trust Funds:						
Sir Alan Parks Research Fund	255	2	(73)	(2)	-	182
Saven Research & Development Programme	319	3	(78)	(3)	-	241
Surgical Research Fund	272	18	(51)	(2)	-	237
Mr Sorab J Lam Legacy	226	2	(10)	(3)	-	215
Ethicon Travelling Fellowship	197	1	(5)	(2)	-	191
Moondance Foundation	210	2	(59)	(2)	-	151
Modi Fund	138	1	(1)	(1)	-	137
Blond McIndoe (Joint Fund with Education)	96	1	(1)	(1)	-	95
The Arthritis Research Trust	125	5	(51)	(1)	-	78
Roberta Swan Legacy	-	75	-	-	-	75
Preiskel Fund	74	3	(4)	(1)	-	72
RCSE Fellows Fellowship Fund	99	7	(52)	(1)	-	53
Miss Carol Rummey Legacy	53	-	-	-	-	53
Gunnar Nilsson Cancer Treatment Trust Fund	-	90	(37)	-	-	53
Dunhill Medical Trust	27	-	(3)	-	-	24
Curry Legacy Damage/Pain	17	-	-	-	-	17
H Speight Discretionary Trust	21	-	(4)	-	-	17
Phyllis A George Legacy	8	-	-	-	-	8
Cutner Legacy	3	4	-	-	-	7
Rex & Jean Lawrie O/S Fund	5	-	-	-	-	5
Ethicon Research Fund	1	-	-	-	-	1
Shrimpton Fund	1	-	-	-	-	1
Fletcher Legacy	4	-	(4)	-	-	-
Education & Training Trust Funds:						
E&T Haddock Legacy	98	1	(1)	(1)	-	97
Faculty of Dental Surgery Funds:						
J W Mclean Fund	197	1	(2)	(2)	3	197
Faculty of General Dental Practice (UK) Funds:						
Research Fund (Faculty of General Dental Practice(UK))	3	-	-	-	(3)	-
Total Trust Funds	2,449	216	(436)	(22)	-	2,207
Other restricted funds:						
Transform Fundraising	500	242	(188)	-	-	554
Robotics	-	250	-	-	-	250
eDEN (elearning for dentistry)	253	10	(14)	-	-	249
National Vascular Registry	220	312	(303)	-	-	229
Breast Cancer Project	77	298	(225)	-	-	150
FDS-NAC	141	24	(17)	-	-	148
National Lung Cancer Audit	-	122	(4)	-	-	118
Anatomy Project	87	50	(29)	-	-	108
Expert Advisory Network	50	54	(2)	-	-	102
Other Balances less than £100,000	1,511	2,687	(3,565)	-	-	633
Total Other Funds	2,839	4,049	(4,347)	-	-	2,541
Total Restricted Funds	5,288	4,265	(4,783)	(22)	-	4,748

25. Endowed funds 2022 for comparison

	Unapplied Total Return	Permanent Capital	Total Endowment
	£000	£000	£000
Endowed Funds at 1 July 2021	26,261	14,951	41,212
Investment income	298	-	298
Legacy income	475	-	475
Investment losses	(375)	-	(375)
Total income and gains	398	-	398
Application of total return	(1,676)	-	(1,676)
Investment management fees	(260)	-	(260)
Transfers	(500)	-	(500)
Total application and fees	(2,436)	-	(2,436)
Net movement in year	(2,038)	-	(2,038)
Total Endowed Funds at 30 June 2022	24,223	14,951	39,174

RCS has 22 endowed funds and the 2021-22 position is set out below by fund:

	Unapplied Total Return 2021	Legacy income	Investment Income	Investment (Losses)	Applied Total Return 2022	Investment Fees	Transfer of Funds	Unapplied Total Return 2022	Permanent Capital	2022 Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
RCSE Research Fund	5,947	-	71	(90)	(622)	(62)	-	5,244	3,784	9,028
RCSE Education Fund	4,878	-	51	(64)	(315)	(45)	-	4,505	2,262	6,767
RCSE Cancer Research Fund	3,493	-	38	(48)	(123)	(33)	-	3,327	1,756	5,083
Presidents Finch Fund	1,423	-	25	(32)	(37)	(22)	-	1,357	2,108	3,465
Dental Science Research Fund	1,792	-	20	(25)	(198)	(18)	-	1,571	1,016	2,587
Rank Chair Physics in Surgery	1,635	-	19	(24)	(152)	(16)	-	1,462	955	2,417
RCSE Library Fund	1,466	-	17	(21)	(98)	(14)	-	1,350	833	2,183
RCSE Biochemical Research Fund	821	-	9	(11)	(36)	(8)	-	775	374	1,149
Macrae-Webb Johnson Fund	996	-	10	(13)	(41)	(9)	(500)	443	425	868
Witt Fund	159	475	2	(3)	(1)	(2)	-	630	182	812
Moser Trust (FDS)	554	-	5	(7)	(3)	(5)	-	544	173	717
HS Morton Travelling Fellowship	439	-	5	(6)	(2)	(4)	-	432	200	632
Groves Bequest for Museum	449	-	4	(5)	(18)	(4)	-	426	161	587
George Qvist for Hunterian	379	-	4	(5)	(18)	(4)	-	356	209	565
John Kinross Fund	428	-	4	(5)	(2)	(3)	-	422	104	526
RCSE Prize Fund	377	-	3	(4)	(2)	(3)	-	371	61	432
Sims Commonwealth Travel Fellowship	253	-	3	(3)	(1)	(2)	-	250	106	356
Commemoration Fund (FDS)	210	-	2	(2)	(1)	(2)	-	207	66	273
RCSE Scholarship Fund	179	-	2	(2)	(1)	(1)	-	177	51	228
Rishworth Fund for Annals	143	-	2	(2)	(1)	(1)	-	141	50	191
Darlow Fellowship Fund	124	-	1	(2)	(1)	(1)	-	121	67	188
RCSE Museum Fund	116	-	1	(1)	(3)	(1)	-	112	8	120
Total Endowed Funds	26,261	475	298	(375)	(1,676)	(260)	(500)	24,223	14,951	39,174

26. Statement of financial activities for the year ended 30 June 2022 for comparison

	Notes	Unrestricted Funds £000	Unrestricted Discontinued Operations £000	Restricted Funds £000	Endowed Funds £000	Totals £000	2021 £000
Income From							
Grants, donations & legacies	5a	779	-	4,060	475	5,314	4,942
Charitable activities	5b	21,596	-	119	-	21,715	21,178
Trading activities	5c	295	-	68	-	363	199
Investment Income	5d	376	-	18	298	692	601
Other income	5e	-	-	-	-	-	-
Total Income		23,046	-	4,265	773	28,084	26,920
Expenditure On							
Raising funds	6a	557	-	204	260	1,021	928
Charitable activities	6b	20,517	95	6,255	-	26,867	24,609
Other expenditure	6c	6,558	-	-	-	6,558	4,028
Total Expenditure		27,632	95	6,459	260	34,446	29,565
Net income/(expenditure) before investment gains/(losses)		(4,586)	(95)	(2,194)	513	(6,362)	(2,645)
Net gains/(losses) on investments	11	(845)	-	(22)	(375)	(1,242)	10,867
Net Income/(Expenditure)		(5,431)	(95)	(2,216)	138	(7,604)	8,222
Transfer between funds	16 & 18	405	95	-	(500)	-	-
Application of Total Return	18	-	-	1,676	(1,676)	-	-
Net movement in funds for the year		(5,026)	-	(540)	(2,038)	(7,604)	8,222
Balances brought forward at 1 July	19	98,591	-	5,288	41,212	145,091	136,869
Balances carried forward at 30 June	19	93,565	-	4,748	39,174	137,487	145,091

Reference and administrative details

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Royal College of Surgeons of England

ADVANCING SURGICAL CARE

Produced by the Royal College of Surgeons of England

Published 29 November 2023