

Annual report and accounts

31 March 2020



Royal College of
General Practitioners

Charity Registration Number 223106

Scottish Charity Registration Number SC040430

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Honorary Treasurer's introduction

for the year ended 31 March 2020

I am pleased to present this report, which summarises the achievements of the College over the past year.

The College continues to encourage, foster and maintain the highest possible standards in general medical practice in a myriad of ways and these are set out in greater detail, and in alignment with the 3 year strategic objectives outlined in our 2017 plan 'Great doctors, great care', in the Trustees Report that follows.

The College has continued to grow in the year with 2019/20 seeing the College membership increase to a record 53,958.

Shortly before year-end attention of course turned to the impact of the COVID-19 pandemic. I have been incredibly proud of the way our members have responded to this unprecedented crisis. The situation has shown how vital general practice is to the country.

The College has responded to this fast-changing situation with unprecedented agility. We have supported GPs with our COVID-19 resource hub, which has aided the profession's understanding and managing of this pandemic with topics ranging from diagnosis to how to keep our practices safe. Our online forum has enabled the profession to share learning contemporaneously. Most crucially we have developed a new Recorded Consultation Assessment to enable assessment of our trainees to continue.

The COVID-19 pandemic has had a significant, immediate impact on the College's operations and finances, with the most significant financial impact arising from the cancellation of face to face events. The College has responded quickly to this situation and taken steps to mitigate the impact of the pandemic.

As ever we will work hard to ensure that we protect and develop the assets we hold on behalf of our members and use our resources in accordance with our mission.

Finally, I would like to thank everyone who contributes to and supports the College's work.

Dr Steve Mowle FRCGP

Honorary Treasurer

Reference & administrative details of the charity, trustees & advisors

for the year ended 31 March 2020

The constitution of the College

The Royal College of General Practitioners was founded in 1952 and granted a Royal Charter in 1972. It is a Chartered Corporation and a registered charity, administered in accordance with its Royal Charter, Ordinances and Bye-Laws.

The Charter, Ordinances and Bye-Laws of the College are the governing instruments of the College, and the Trustees are ultimately responsible for ensuring that the administration of the College is in accordance with those instruments.

Patron of the College

HRH Prince Philip, The Duke of Edinburgh

Members of the Trustee Board

The members of the Trustee Board during the year ended 31 March 2020 were:

Chair and Officers

Chair	Prof Nigel Mathers FRCGP
Honorary Treasurer	Dr Steve Mowle FRCGP
Honorary Secretary (job-share)	Dr Victoria Tzortziou-Brown OBE FRCGP (until 22 Nov 2019) Dr Jonathan Leach OBE FRCGP (from 23 Nov 2019)
Chair of Council	Prof Helen Stokes-Lampard FRCGP (until 22 Nov 2019) Prof Martin Marshall CBE FRCGP (from 23 Nov 2019)

Council Member Trustees

Dr John Chisholm CBE FRCGP
Dr Christine Johnson FRCGP (until 22 November 2019)
Dr Miles Mack FRCGP
Prof Simon Gregory FRCGP

Lay Trustees

Dr David Pendleton FRCGP (Hon)
Mr Brendan Russell
Mr Ian Jeffery
Mr Simon Sapper

Observer

Dr Paul Myres FRCGP, Observer and Chair, RCGP Audit Committee

Members of College Council

The members of College Council during the year ended 31 March 2020 were as follows:

President and Officers

President	Prof Mayur Lakhani CBE FRCGP (until 22 Nov 2019) Prof Amanda Howe FRCGP (from 23 Nov 2019)
Chair	Prof Helen Stokes-Lampard FRCGP (until 22 Nov 2019) Prof Martin Marshall CBE FRCGP (from 23 Nov 2019)
Vice-Chair (External Affairs)	Prof Martin Marshall CBE FRCGP (until 22 Nov 2019) Dr Gary Howsam FRCGP (from 23 Nov 2019)
Vice-Chair (Professional Development)	Dr Michael Mulholland FRCGP
Vice Chair (Membership & International)	Dr Mike Holmes FRCGP
Honorary Treasurer	Dr Steve Mowle FRCGP
Joint Honorary Secretary (Job Share)	Dr Jonathan Leach OBE FRCGP Dr Victoria Tzortziou Brown OBE FRCGP

Council Members

Dr Muddassar Ahmed – from 23 Nov 2019	Dr Anthony James – from 23 Nov 2019
Dr Waqar Ahmed MRCGP	Dr Christine Johnson FRCGP – until 23 Nov 2019
Dr Kirsty Alexander MRCGP	Dr Robert Lambourn FRCGP – until 23 Nov 2019
Dr Saqib Anwar MRCGP	Dr Alison Lea MRCGP
Dr Ken Aswani MBE FRCGP – until 23 Nov 2019	Dr Fiona Leckie FRCGP – from 23 Nov 2019
Dr Kirsty Baldwin FRCGP	Dr Ashley Liston FRCGP
Dr Sam Bethapudi MRCGP – from 21 Feb 2020	Dr Carey Lunan MRCGP
Dr Jodie Blackadder-Weinstein MRCGP- until 23 Nov 2019	Prof Johnny Lyon-Maris FRCGP
Dr Stuart Blake MRCGP	Dr Margaret McCartney MRCGP
Dr Susi Caesar FRCGP	Dr Miles Mack FRCGP
Dr John Chisholm CBE FRCGP	Prof Nigel Mathers FRCGP
Dr Rowena Christmas MRCGP	Dr Ebrahim Mulla – until 23 Nov 2019
Dr John Cosgrove FRCGP	Dr David Mummery – from 23 Nov 2019
Dr Frances Cranfield FRCGP	Dr Kate Neden FRCP, FRCGP
Prof Simon De Lusignan – until 23 Nov 2019	Dr Karen O'Reilly FRCGP
Dr Andrew Dharman MRCGP	Dr Amit Paik – until 23 Nov 2019
Dr Jaspreet Dhillon MRCGP	Dr Thomas Patel-Campbell MRCGP
Dr Laurence Dorman FRCGP- from 23 Nov 2019	Prof Dom Patterson FRCGP -until 20 Sept 2019
Dr Grainne Doran FRCGP- until 23 Nov 2019	Dr Diarmuid Quinlan FRCGP

Council Members

Dr Sioned Enlli MRCGP	Dr Bashir Qureshi FRCGP - until 23 Nov 2019
Dr Alasdair Forbes FRCGP	Dr Imran Rafi FRCGP – from 23 Nov 2019
Dr Mark Free FRCGP – until 23 Nov 23	Dr Joanne Reeve FRCGP -until 23 Nov 2019
Dr Hussain Gandhi MRCGP	Dr Paul Ryan FRCGP
Prof Clare Gerada MBE FRCGP	Dr David Shackles MRCGP
Prof Simon Gregory FRCGP	Brigadier Dr Robin Simpson FRCGP
Dr Sunil Gupta FRCGP	Dr Carter Singh – from 23 Nov 2019
Dr Janet Hall FRCGP	Dr Narveshwar Sinha MRCGP
Dr Robert Hampton MRCGP	Dr Andrew Spooner FRCGP
Dr Holly Hardy FRCGP	Prof Helen Stokes-Lampard FRCGP
Prof Kamila Hawthorne MBE FRCGP	Dr Catherine Tichler MRCGP – from 23 Nov 2019
Dr Lucy Henshall MRCGP - from 23 Nov 2019	Dr Sian Tucker MRCGP
Dr Susanna Hill FRCGP	Dr Mark Vaughan FRCGP
Dr Steve Holmes FRCGP	Dr Shamila Wanninayake MRCGP
Dr Mair Hopkin FRCGP	Prof Veronica Wilkie FRCGP
Dr Abrar Ibrahim MRCGP - from 23 Nov 2019	Dr Ian Wood - from 23 Nov 2019
Dr Greg Irving MRCGP - until 23 Nov 2019	Sabir Zaman – from 20 Feb 2019
Prof Neil Jackson FRCGP	

Council Observers

Mrs Jenny Aston	Wing Commander Dr Dudley Graham FRCGP
Prof Carolyn Chew-Graham – from 20 Sept 2019	Dr Mary McCarthy FRCGP – from 22 June 2019
Dr MeiLing Denney FRCGP	Prof Katherine O'Donnell FRCGP (Hon) – until 22 June 2019
Dr Alan Down FRCGP – from 22 June 2019	Owen Richards – from 23 Nov 2019
Prof Roger Jones FRCGP	Dr Robina Shah FRCGP (Hon) - until 23 Nov 2019
Dr Chandra Kanneganti MRCGP	Dr Dharini Shanmugabavan - from 22 June 2019
Dr Sanjiv Sinha MRCGP - (job share)	
Dr Euan Lawson FRCGP - until 23 Nov 2019	Colonel Prof Mike Smith FRCGP

Principal address	30 Euston Square London NW1 2FB
Principal advisors	
Bankers	Barclays Bank PLC 1 Churchill Place Level 28 Canary Wharf London E14 5HP
Solicitors	The College uses various firms of solicitors based on their speciality
External Auditor	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Internal Auditor	RSM LLP 25 Farringdon Street London EC4A 4AB
Investment Managers	Ruffer LLP 80 Victoria Street London SW1E 5JL

Report of the Trustees

for the year ended 31 March 2020

The Trustees of the Royal College of General Practitioners (RCGP) are pleased to present their report together with the College's accounts for the year ended 31 March 2020.

Governance statement

Introduction

This Governance Statement sets out the governance, risk management and internal control arrangements for the Royal College of General Practitioners. It applies to the financial year 1 April 2019 to 31 March 2020 and includes key areas of best practice as identified in the Charity Governance Code. It also includes information on how the organisation has responded to COVID-19.

Governance structure

The Trustee Board is responsible for the management and administration of the College and its status as a charity.

The Trustee Board Chair and the four Council Member Trustees are elected by Council via ballot. The remaining three Officer Trustees are appointed following election by Council and comprised the Chair of Council, the Hon. Treasurer and the Hon. Secretary. As the Hon. Secretary position is currently held as a job share, one of the post holders is appointed as a Trustee and one is an observer to the Trustee Board.

The four external lay Trustees are sought through open public advertisement and interview to ensure appointees have the requisite skills and experience required by the Trustee Board. They are appointed by majority vote by the Trustee Board. To ensure proper communication and accountability, the Chair of the Audit Committee also sits on the Trustee Board as an observer.

The RCGP is unique amongst the medical Royal Colleges in having both a President and a Chair of Council. These two roles are complementary but distinct. The Chair of Council is responsible for representing and guiding the views of Council and for representing the RCGP with a wide range of stakeholders. The Council is responsible for the overall strategic policy direction and leadership of the College in leading the profession of general practitioners.

The President is a non-voting member of Council and is a figurehead with ceremonial duties. There are no executive powers attached to the role. The President is an elected position by ballot of the whole membership. The term of office is a single term of two years.

There are six Officers of Council as listed below. All are elected by Council via ballot.

Post	Officer	Term
Chair	Prof Helen Stokes-Lampard FRCGP (until 22 Nov 2019) Prof Martin Marshall CBE FRCGP (from 23 Nov 2019)	3 years
Vice-Chair	Prof Martin Marshall CBE FRCGP (until 22 Nov 2019) Dr Gary Howsam FRCGP (from 23 Nov 2019)	3 years
Vice-Chair	Dr Michael Mulholland FRCGP	3 years
Vice-Chair	Dr Mike Holmes FRCGP	3 years
Honorary Secretary	Dr Jonathan Leach OBE FRCGP Dr Victoria Tzortziou-Brown OBE FRCGP	4 years
Honorary Treasurer	Dr Steve Mowle FRCGP	5 years, with further 3 years possible

Devolved nations

Each of the devolved nations is represented by a Devolved Chair and Council who develop and lead the profession for the specifics in each country.

Post	Officer	Term
Chair of RCGP Northern Ireland	Dr Grainne Doran FRCGP (until 22 Nov 2019) Dr Laurence Dorman FRCGP (from 23 Nov 2019)	3 years
Chair of RCGP Scotland	Dr Carey Lunan MRCGP	3 years
Chair of RCGP Wales (job-share)	Dr Mair Hopkin FRCGP Dr Peter Saul FRCGP	3 years

Faculty representatives

The College has a network of 32 faculties to support its members across the UK and which are each supported by regional offices, and national offices in each of the devolved nations. The business of each faculty is determined by a Faculty Board and they each have a representative on Council.

Executive Management Team

The Executive Management Team is responsible for implementing the policies of the College and managing the day to day business. It comprises the Chief Operating Officer and five Directors.

Executive Management Team	
Chief Operating Officer	Dr Valerie Vaughan-Dick PhD
Executive Director of Policy and Engagement	Mark Thomas
Executive Director of Professional Development and Standards	Fiona Erasmus – (from 3 Sep 2019 – returned from maternity leave) Chris Mirner – (until 2 Sep 2019)
Executive Director of Planning and Resources	Harriet Jones
Managing Director of Enterprises and Conferences	Ben Clacy
Executive Director of Membership and International	Simon Bowen

Trustee Board and Committee structures are shown in the table below

Committee	Role	Reports to	Trustee Board	Collective decision making on the management and administration of the College and its status as a charity.
<p>Audit Committee Chair – Dr Paul Myres FRCGP Two Trustees, one independent and three College members including the Chair. Met four times in 2019/20.</p>	<p>Oversees the adequacy of the risk and control systems</p>	<p>Trustee Board</p>	<p>12 Trustees Met eight times in 2019/20 (including four extra-ordinary meetings)</p>	<p>Collective decision making on the management and administration of the College and its status as a charity.</p>
<p>Planning & Resources Committee Chair – Dr Steve Mowle FRCGP Four Trustees (including the Chair), two independent members and one College member. Met four times in 2019/20.</p>	<p>Oversees the financial management of the College</p>			
<p>Governance Committee Chair – Dr Victoria Tzortziou-Brown (until 22 Nov 19) Dr Jonathan Leach FRCGP (from 23 Nov 19) Three Trustees (including the Chair), one Council member, one member of the College and one member from one of the College’s patient groups. Met four times in 2019/20.</p>	<p>Supports the Chair of the Trustee Board with advising on the skills required by Trustees and through its Nominations Sub-Committee appraises suitability of candidates for Officer roles</p>			
<p>Remuneration Committee Chair – Alan Wells Three Trustees, one external member, one Council member, and an independent Chair. Met twice in 2019/20.</p>	<p>Approves the Executive Pay Policy</p>			
<p>Investment Committee Chair – Dr Steve Mowle FRCGP Three Trustees (including the Chair). Met twice in 2019/20.</p>	<p>Ensures the College’s investment policy is met</p>			

Patient Groups

Patients are at the heart of activity at the College and are the hub of healthcare. Their viewpoints are an important development of general practice. There are patient groups based in each country and the aims of each are to:

- Promote partnership between patients and general practitioners
- Address patient concerns and needs
- Encourage and support the RCGP and its members to involve patients in their own care

The effectiveness of the Trustee Board and its committees

The Chair of the Trustee Board set out his three priorities for 2019/20 which were:

- To introduce the concept of a 'lead Trustee' for each area of discussion to create a link between the relevant Executive Director and the Trustee Board;
- To embed the Scheme of Delegation by agreeing the default position of the Trustee Board was to have confidence that items delegated to committees had been subject to detailed scrutiny; and
- To consider the complexity of the College and propose practical measures to help address duplication and provide a clear governance framework.

In addition to the above, the Chair focussed on managing risk and by developing with Trustees a risk appetite statement that will provide guidance on the risk tolerances of the Board. This is an area of focus that will continue into 2020/2021. (Further information on activities and risk are contained in the COVID-19 implications paragraph below).

Prior to each quarterly Trustee Board a workshop is held for Trustees with a focus on training and continuing professional development (CPD). The topics have included understanding risk appetite, charity finances and simplifying complexity.

Policies and procedures for the induction of Trustees

Upon appointment each Trustee is provided with an induction process that includes the following:

- Governance overview of the RCGP's charitable object and the focus on public benefit;
- Attendance at the annual Council member induction to ensure that the roles of Council and Trustee Board are understood as well as gaining insight into the wider College structures and projects; and
- An information folder that includes a declarations of interest policy and form; information security policy; Equality, Diversity & Inclusion policy; previous minutes from Trustee Board meetings; indemnity insurance information; College strategy and the Annual Report & Accounts of the previous year.

Performance reporting to the Trustee Board

During 2019-20 the information considered by the Trustee Board was quality assured by:

- Using a consistent framework for the collation of data that allowed Trustees to compare performance and targets; and
- Quality assurance processes preceding finalisation of reports to ensure that information contained in the reports was accurate.

Risk management

The Audit Committee provides detailed scrutiny of the risk management processes in place across the College whilst the Trustee Board retains overall responsibility for risk management and reviews the strategic risk register at each meeting.

Risk management is designed to be a proportionate balance between control, cost and risk-taking.

Until COVID-19 the major strategic risks managed during the year included:

- ICT strategy including cyber security and data protection

This risk arises from a potential threat to our cyber security due to the everchanging online environment and the need to ensure robust defences are in place. Work to data map all our activities has been completed in 2019/20.

- The potential effect of HS2 on 30 Euston Square

HS2 continues to be a significant threat to our headquarters at 30 Euston Square due to the ongoing works at Euston Station. However stringent plans are in place that ensure we are alerted in advance of works and to date we have had a constructive working partnership with HS2.

- Sponsorship

As a membership organisation the College must represent members views and as part of this a whole College membership consultation was held to understand what level of sponsorship was considered acceptable. This was a potential risk as if the results indicated a wide variance to the existing level of sponsorship received then there could be financial and reputational impacts.

During 2019-20 the College has not been required to report an incident to the Information Commissioner's Office or the Charity Commission.

COVID-19, Risk Management and the Trustee Board

From March 2020, when the Government advice on social distancing came into force, the College moved rapidly to contain risks to the organisation by setting up internal and external working groups to implement rapid decisions and sought to mitigate or transfer risks as they arose.

- Internal Overview & Prioritisation Group

This group assesses and considers the College-wide response to the COVID-19 pandemic and provides oversight of the risks identified by the two main COVID groups detailed below.

The strategic risk register includes the multitude of risks posed to the College by COVID-19. This register provides assurance to the Trustee Board that risks to the strategic aims of the College are being mitigated where possible or else details forthcoming actions that will reduce the inherent risk score.

- COVID Clinical Advisory and Policy Group

This group coordinates the College's response to key COVID-related policy and clinical issues and has been active in advising NHS England on the development of Standard Operating Procedures.

- COVID Response Group

This group focuses upon the College's internal response to the pandemic, regularly reporting key decision areas, actions and risks to the Internal Overview & Prioritisation Group. Immediate areas of focus included the utilisation of the Government's Job Retention Scheme, managing the College finances in response to the pandemic and mitigating impact on the College's essential business as usual activities.

Summary

The risks to the College's activities caused by COVID-19 are continuing and the Trustee Board has been agile in holding extraordinary meetings as required to take immediate decisions on finances and prioritisations for activities. Trustees are also involved in considering how the College will look post COVID with two additional working groups that have been set up – The Future of the College Post COVID and The Future of General Practice Post COVID. During 2020/21 the Trustee Board will hold monthly virtual meetings in order to facilitate planned decision making.

Our vision, purpose and values

Object of the College

“To encourage, foster and maintain the highest possible standards in general medical practice and for that purpose to take or join with others in taking any steps consistent with the charitable nature of that object which may assist towards the same”

Our vision

Excellence in general practice for patients worldwide

Our purpose

To promote the best possible quality of health and healthcare for the population by:

- setting the highest standards for general practice
- ensuring that GPs have the best possible training
- supporting GPs throughout their professional lives to deliver the best possible service
- leading the profession and demonstrating the value of general practice
- developing general practice as the foundation of effective and sustainable primary care worldwide
- using resources efficiently to support our members and develop the College sustainably

Our values

The RCGP is the heart and voice of General Practice and as such:

- we protect the principle of holistic generalist care which is integrated around the needs of and partnership with patients.
- we are committed to equitable access to, and delivery of, high quality and effective primary healthcare for all.
- we are committed to the theoretical and practical development of general practice.

Public benefit

The College provides public benefit, and the advancement of health and of education, through:

- developing professional standards which help to ensure that patients are treated by fully trained, competent general practitioners;

- encouraging professional development by developing and providing educational resources to enable general practitioners to maintain and develop their skills;
- support to individuals as general practitioners; and
- promotion of the profession as fundamental to integrated primary health care.

The Trustees have referred to the Charity Commission's guidance on public benefit when reviewing its aims and objectives and in planning its future activities to ensure that the activities the College undertakes are in line with its charitable objects and aims.

Strategic plan 2017-20

We published our strategic plan 'Great doctors, great care' in 2017 which set out the following four main objectives:

1. Shape the future of General Practice
2. Ensure GP Education meets the changing needs of UK primary care
3. Grow and support a strong, engaged membership
4. Be the voice of the GP (influence)

These objectives are to be achieved whilst maintaining our four core values of excellence, teamwork, leadership and care. Work has begun on delivering the strategy for 2021 and beyond, which will incorporate any changes required after the COVID-19 pandemic.

Activities and achievements during 2019-20

we have focussed our activities and resources during the year on delivering the four strategic priorities as follows:

Shape the future of General Practice

Our objective is to restore pride and confidence in general practice, and defend the profession from longstanding underfunding by enhancing its influence.

The College's #backGP campaign continues and we continue to demand greater investment in primary care, restoring spending from 9% to 11% of the NHS budget, as it was in 2005.

We also aim to deliver practical solutions to tackle workload pressures and sustain and equip GPs to provide the best possible patient care. We provided significant support for practices through our Primary Care Development team, working with practices to enable better patient care. The PCD team worked in practices to help improve on the ground GPs and the wider primary care team with a clear focus on improved patient outcomes.

We were chosen by NHS England to deliver the Personalised Care Institute. The Institute will be supporting the professional development of at least 75,000 clinicians in four evidence-based components of personalised care by 2023/24, to embed personalised care into the fabric of health care.

Ensure GP Education meets the changing needs of UK primary care

Our objective is to provide the curriculum, training, assessment and CPD resource, which will prepare and support GPs to deliver a first-class patient service wherever they work, and which will respond to the changes in primary care service delivery

To become licensed to practise as a GP in the UK, doctors must pass the College's MRCGP examination, comprising the Applied Knowledge Test (AKT), Clinical Skills Assessment (CSA) and Workplace-Based Assessment (WPBA).

In 2019/20 4,409 candidates sat the AKT and 3,254 sat the CSA. The COVID-19 pandemic meant that the March 2020 CSA sittings were curtailed.

RCGP eLearning continues to be a key resource for GPs to improve their skills. Our eLearning platform now has more than 110,000 registered users, and includes a new 'RCGP Consultations' resource, where members can go through patient journeys from first presentation to final diagnosis.

We also held 13 'One-Day Essentials' conferences providing specialist training in areas including men's health and learning disabilities; a conference on managing drug and alcohol problems in primary care; and courses on minor surgery and telephone consultation skills.

Grow and support a strong, engaged membership

Our objective is to promote the value of membership, improve the member experience, build the perceived value of membership and strengthen links with and between all members.

Membership rose to a record number of 53,918 in 2019/20.

The College continued to deliver on its membership strategy which focuses on retaining and engaging UK members by improving our services, developing our provision for international members, and better articulating our membership offer.

Inspiring the future generation is integral to this vision and initiatives to promote the profession included our Discover GP conferences, flagship events to promote the profession to medical students.

Work on enriching our partnerships with GP societies continued, with all Scottish GP societies having applied to the scheme and subsequently being introduced to their corresponding faculties.

The College's network of faculties and regional offices improve the quality of general practice at a local level, providing education, events and networking opportunities to support GPs at every stage of their career.

We were delighted that our Discover GP360 initiative won a gold award at the Association Excellence Awards 2019.

The College delivered our largest ever annual conference, with very high satisfaction ratings from delegates who hugely valued the three day event as an integral part of their membership and as part of developing as a GP.

This year saw the launch of our MyRCGP app, which over 2,700 members have already downloaded.

The RCGP President held a number of 'Listening Exercises' meeting members across the UK and digital meetings with members based abroad. The programme concluded in July 2019 with an event for Black GPs and an Action Plan to address areas and the establishment of a Forum for Black, Asian and Minority Ethnic GPs to address their concerns and areas of potential best practice.

Be the voice of the GP (influence)

Our objective is to extend our stakeholder engagement at local and national level, explain and celebrate the role of general practice in the future health and social care system, and promote the work of the GP as an attractive careers choice.

We continued to push the ambitions outlined in our milestone report, *Fit for the Future: a Vision for General Practice*, published in May 2019. In particular the general election of December 2019 saw the College urge for prioritisation of General Practice workload and workforce in order to safeguard the NHS.

The College reiterated the case for general practice as ‘the bedrock of the NHS’. Our campaigns focussed on the need to retain our GPs, better supporting them to care for their patients in order to continue to provide safe and personalised care in the community.

Whilst we welcomed the Government’s pledge to deliver 6,000 more full-time equivalent GPs we have noted that since the initial pledge of 5,000 more GPs by 2020 was made in the ‘GP Forward View’ report, published by NHS England in April 2016, the number of fully-qualified, full-time equivalent GPs has fallen by more than 1,000, according to the latest figures from NHS Digital.

Future plans

The College has been working on delivering a new strategy for the period 2020-2023, with the focus being on putting our members at the heart of everything we do.

Since the COVID-19 pandemic the College has also had to react quickly to an ever-changing landscape. The governance response has been outlined in “COVID-19, Risk Management and the Trustee Board” above.

Shape the future of General Practice

The College has reacted to the COVID-19 pandemic with a number of initiatives that will have ongoing impacts for General Practice.

During the crisis the College has supported GPs as they have moved to new remote ways of working, in line with Government advice, who are now carrying out the majority of patient consultations remotely to keep themselves and their patients as safe as possible and reduce the risk and spread of infection.

Ensure GP Education meets the changing needs of UK primary care

The College has responded to the disruption of delivery of the MRCGP examination arising from the COVID-19 pandemic by developing a Recorded Consultation Assessment (“RCA”) in place of the Clinical Skills Assessment.

The RCA is a summative assessment of a doctor’s ability to integrate and apply clinical, professional, communication and practical skills appropriate for general practice. It will require candidates to submit 13 recorded consultations, which may be any combination of audio, video or face to face encounters.

2020/21 will also see the launch of our new Trainee e-portfolio (TeP). The TeP replacement project aims to address the critical issues of the current TeP to create a new flexible system that RCGP can easily configure to adapt to General Medical Council (GMC) curriculum changes. This will enable members to use the new TeP to complete core tasks via their preferred laptop or mobile device with or without internet connectivity. The new system will therefore represent a step change in terms of usability and flexibility – both for the RCGP and members alike.

We will be enhancing our CPD offer, streamlining our in-house CPD delivery to drive improved integration and efficiency and be implementing a digital focused approach to our CPD to ensure as many members as possible are able to access the wide range of CPD we have on offer.

Grow and support a strong, engaged membership

The College will continue to work on engaging our membership and in light of changes to the way we operate due to the COVID-19 pandemic we are focussing particularly on ways in which to improve and enrich our digital engagement with members.

Be the voice of the GP (influence)

We will work on delivering our 10 year ambitions as outlined in our report *Fit for the Future: a Vision for General Practice and* continue to work with Government to ensure that general practice is at the heart of the public policy debate.

In February 2020 our members voted on what the College's three policy and campaigning priorities should be for the next three years.

- Reinvigorating relationship-based care
- Reducing unnecessary general practice workload
- Sustainable infrastructure for general practice

Financial review for the year

Results for the year

The consolidated statement of financial activities shows the College's total incoming resources for the year have decreased to £43.4m (2019: £43.7m), while total resources expended decreased to £44.2m (2019: £45.7m).

This year there were gains on the revaluation and disposal of investments of £0.1m (2019: loss of £0.2m).

The actuarial gain on defined benefit pension scheme was £0.4m (2019: £1.5m). The pension scheme deficit decreased to £4.7m (2019: £5.9m).

The funds balances at the year end are represented by unrestricted funds £50.2m (2019: £48.6m), restricted funds £2.0m (2019: £4.0m) and capital endowment funds £Nil (2019: £Nil).

The College has net current liabilities of £3.9m at the year end due to an increase in creditors and decrease in cash position. The COVID 19 pandemic has resulted in a complex economic environment, however the College has confidence that its financial plan will enable it to consolidate its cash position in the short term with improvements projected in later years.

The principle funding sources for the College remain membership subscriptions, examinations income and surplus generated by its trading subsidiaries.

Reserves policy

The College has £50.7m held in general funds. These funds represent the accumulated surpluses from general business activities and are available for use at the discretion of the Trustees.

General funds include unrestricted funds, designated project funds, a designated property reserve and the pension deficit fund.

Fund	Total £(m)
Unrestricted funds	7.8
Designated project funds	2.0
Designated property reserve	45.6
Pension deficit	(4.7)
Total General Funds	50.7

Designated project funds

These are funds that have been assigned to particular projects the College is undertaking. For more detail on individual designations see Note 32 on page 40–41.

Designated property reserve

This reserve includes the funds invested in the properties owned by the College, 30 Euston Square, London and 25 Queen Street, Edinburgh less the amount repayable on the loan for the building. Other fixed assets are not included in this reserve as they are not considered as integral to strategic plans.

Pension deficit

This represents the current value of the defined benefit pension scheme liability.

Free reserves

The Trustees consider all unrestricted funds and designated project funds to be free reserves.

As at year end these totalled £9.8m, of which £2.7m are readily realisable and £7.1m are in fixed assets.

Trustees have reviewed key risks, as outlined in *Risk management*. Where possible these risks have been quantified in order to assess the optimal level of free reserves required.

Following this review Trustees have agreed a target range for the level of free reserves of 3 to 6 months operational expenditure (£11.0m to £22.1m).

Currently the College holds free reserves totalling £9.8m. This is £1.2m less than the lower end of agreed range. Trustees have reviewed a 3 year plan which intends to restore reserves to within the desired level through delivering higher surpluses.

Going concern

Trustees have considered several factors in concluding that the adoption of a going concern basis in the preparation of these financial statements is appropriate. These factors have included a summary of the key risks and uncertainties in the context of the College's operations (including COVID-19), a review of the budgets and forecasts, including those produced in developing the recovery plan. The recovery plan also considers the mitigating actions the College can deploy and considers both immediate liquidity and longer term solvency, together with the impact of reserves.

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The government guidelines introduced in March resulted in the Clinical Skills Assessment examination in March and the Applied Knowledge Test in April being cancelled. The College has developed an alternative Recorded Consultation Assessment with the first sitting for up to 450 candidates to take place in July. Further dates are set for the remainder of 2020 and into 2021 with increased capacity for each sitting moving forwards. The current forecast indicates this should not unduly impact financial performance in this area during the period of review.

Membership income is a key income stream and the College continues to ensure the delivery of value of being a member to guard against any decline here.

The most significant financial impact is in relation to the cancellation of face to face events and conferences, impacting College activity directly as well as activity in the College's wholly owned trading subsidiary, RCGP Enterprises, as third-party events have not been able to be hosted at 30 Euston Square.

As detailed above, Trustees have reviewed scenarios and approved a recovery plan to mitigate the impact of the pandemic which includes cost saving measures, utilising the support offered by the UK government through its Coronavirus Job Retention Scheme and agreeing a 12 month loan repayment deferral with Barclays.

Having regard to the above the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Subsidiary and related companies

Subsidiaries

The College has three subsidiary undertakings:

- RCGP Enterprises Limited – which manages commercial activity in 30 Euston Square
- RCGP Conferences Limited – which manages the College’s annual conference and various other activity on behalf of the College.
- RCGP International Limited – which manages commercial activity overseas. It did not commence training in the year ended 31 March 2020

Investment policy

The investment objective of the portfolio, as set by the Trustee Board, is an absolute return strategy which aims to maintain the capital value of the portfolio in real terms and achieve positive returns.

Investment in companies directly engaged in the manufacture or supply of weapons that are intended for use against humans, companies directly engaged in carbon and fossil fuels production, and companies with a significant (more than 10% of turnover) part of their business involved in the supply of alcoholic drinks, tobacco products, military equipment (other than weapons intended for use against humans), gambling or pornography is not undertaken by the College on ethical grounds.

The management of the College’s investments has been delegated on a discretionary basis to its investment managers, Ruffer LLP, who report on a regular basis, including four times a year to the Investment Committee. It is expected there will be greater volatility than usual to the investment portfolio valuation in light of the economic impact of COVID-19. The investment portfolio valuation as at 30th June 2020 was £8.1m, £0.6m higher than at year-end.

Fundraising policy

The College is a member of the Fundraising Regulator. The College does not currently undertake specific fundraising activities but it supports the Code of Fundraising Practice and any future fundraising activity would be carried out in line with its recommendations.

Grant making policy

The Scientific Foundation Board (SFB) awards grants for research whose findings will be of direct relevance to the care of patients in the general practice setting. Any GP, primary healthcare professional or university-based researcher may apply for a grant for scientific research to be undertaken in the UK. The SFB’s definition of research is descriptive and includes experimental studies. All applications are judged on the quality of the project proposal. It should be noted that the Board does not fund audit projects.

The SFB gives a high priority to submission from practising GPs and other members of primary care teams. The SFB encourages, and will give priority to, applications from young and/or new researchers and to those who have not previously been funded by the SFB. Applications are not restricted to those from members of the College.

The SFB administers offers two forms of research funding: annual research grants of up to £30,000 and Practitioner Allowance Grants of up to £2,000. Applications for annual research grants are reviewed by members of the SFB, and at the annual meeting of the SFB (held in the Autumn) the Board decides where research grants will be awarded. Practitioner Allowance Grants can be applied for at any time of the year and are awarded following review by the chair and at least one other member of the SFB.

Equality, diversity & inclusion

Strategy

The College has an Equality, Diversity & Inclusion Steering Group that is co-chaired by the Chair of Council and the Chief Operating Officer. Its membership is derived from staff across all directorates of the College. The focus for this Group has initially been to ensure the relevant policies are fit for purpose and have been informed by authoritative external organisations that specialise in the full spectrum of Equality Diversity and Inclusion. During 2020 work will focus on ensuring that the policies are fully embedded and working as intended to promote Equality, Diversity & Inclusion throughout the College.

The responsibility for ensuring that the Equality, Diversity & Inclusion Policy is implemented lies with the Chief Operating Officer and through the Chair of Council and the Chair of the Trustee Board in respect of Trustees, Council members, volunteers and membership involvement.

Employment

The College is committed to a policy of equality of opportunity in its employment practices, and aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of race (including colour, nationality, ethnic or national origins), sex, sexual orientation or marital status, disability or of other conditions not justified in law or relevant to the performance of the job.

Individuals are selected, promoted and treated on the basis of their abilities and merits, and according to the requirements of the job.

Safeguarding

An advisory report by our internal auditors provided recommendations on how to ensure the College adopts best practice for safeguarding arrangements. These recommendations reflect the wider scope of what is considered safeguarding in the charity sector to include duty of care to staff, volunteers and beneficiaries in general. The College used this as the basis for a review to reflect safeguarding as a culture and to use the expertise of our GPs to inform its implementation.

Pay policy for staff

Senior staff

The Executive Management Team is considered the key management personnel of the College. The pay of the Executive Management Team is reviewed annually by the Remuneration Committee. A professional reward consultant undertakes a benchmarking exercise bi-annually against other equivalent organisations. Our Executive Pay Policy sets out our approach to pay which is underpinned by the following principles: to pay a fair salary and reward package to attract and retain skilled and expert senior leaders for the College and to ensure our salaries and benefits are competitive within the sector, proportionate to the complexity of each role and responsibility and affordable.

All staff

Pay for all staff at the College is reviewed via triennial benchmarking to ensure our staff are paid in line with equivalent organisations.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report and Accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the of the College and the group and of the incoming resources and application of resources of the College and the group for that year.

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

- select suitable accounting policies and apply them consistently;
- observe the method and principles in the Charities Statement of Recommended Practice;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue its operations.

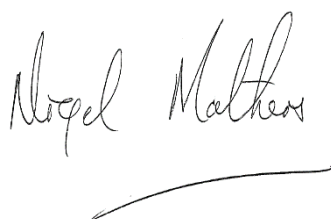
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the College's and group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charity's constitution. They are also responsible for safeguarding the assets of the group and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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


Auditor

The Trustees who held office at the date of the Report of the Trustee Board confirm that there is no relevant audit information of which the College's auditors are unaware. Each Trustee has taken the necessary steps to ensure they are aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Approved by the Trustee Board and signed on its behalf by:



Professor Nigel Mathers
Chair of Trustee Board



Dr Steve Mowle FRCGP
Honorary Treasurer

Approved on 23 July 2020

Independent auditor's report to the members of Royal College of General Practitioners

Year to 31 March 2020

Opinion

We have audited the financial statements of the Royal College of General Practitioners for the year ended 31 March 2020 which comprise the consolidated statement of financial activities, the college and group balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

Other information

The trustees are responsible for the other information. 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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 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.

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.

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 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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 28th July 2020

Consolidated statement of financial activities

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total £'000	2019 £'000
Income from:						
Donations and legacies						
Donations		-	-	-	-	10
Charitable activities						
Project income		4,262	655	-	4,917	4,662
Examination fees		6,382	-	-	6,382	6,663
Membership income		19,579	-	-	19,579	19,773
Courses & events		2,197	5	-	2,202	2,216
Other income		855	-	-	855	848
Other trading activities						
Trading income from subsidiaries		9,344	-	-	9,344	9,375
Investment income		67	27	-	94	108
Total income		42,686	687	-	43,373	43,655
Expenditure on:						
Raising funds						
Fundraising costs		2	7	-	9	6
Trading expenditure		6,892	-	-	6,892	6,862
Investment management fees		2	101	-	103	129
		6,896	108	-	7,004	6,997
Charitable activities						
Future of general practice		4,411	155	-	4,566	4,674
GP education		10,082	366	-	10,448	11,315
Supporting membership		13,544	414	-	13,958	14,757
Voice of General Practice		8,081	127	-	8,208	7,993
		36,118	1,062	-	37,180	38,739
Total expenditure	21	43,014	1,170	-	44,184	45,736
Net (expenditure) before gains		(328)	(483)	-	(811)	(2,081)
Net (losses)/gains on investments	26	(57)	161	-	104	(170)
Net expenditure		(385)	322	-	(707)	(2,251)
Transfers between funds	32, 33, 34	2,142	(2,142)	-	-	-
Actuarial gains	35	359	-	-	359	1,474
Net movement in funds		2,116	(2,464)	-	(348)	(777)
Balances at 1 April 2019		48,573	3,967	-	52,540	53,317
Balances at 31 March 2020		50,689	1,503	-	52,192	52,540

Balance sheets

	Note	College 2020 £'000	College 2019 £'000	Group 2020 £'000	Group 2019 £'000
Fixed assets					
Tangible assets	25	70,062	71,585	70,062	71,585
Investments	26	11,070	10,693	11,070	10,693
		<u>81,132</u>	<u>82,278</u>	<u>81,132</u>	<u>82,278</u>
Current assets					
Stocks		10	27	51	62
Debtors	27	2,779	2,776	3,354	3,425
Short term deposits		443	831	443	831
Cash at bank and in hand	28	3,763	6,067	4,637	8,804
		<u>6,995</u>	<u>9,701</u>	<u>8,485</u>	<u>13,122</u>
Creditors:					
amounts falling due within one year	29	<u>(10,944)</u>	<u>(12,710)</u>	<u>(12,434)</u>	<u>(16,131)</u>
Net current (liabilities)/assets		<u>(3,949)</u>	<u>(3,009)</u>	<u>(3,949)</u>	<u>(3,009)</u>
Total assets less current liabilities		77,183	79,269	77,183	79,269
Creditors:					
amounts falling due after one year	30	<u>(20,264)</u>	<u>(20,797)</u>	<u>(20,264)</u>	<u>(20,797)</u>
Net assets excluding pension liability		56,919	58,472	56,919	58,472
Defined benefit pension scheme liability	35	<u>(4,727)</u>	<u>(5,932)</u>	<u>(4,727)</u>	<u>(5,932)</u>
Net assets including pension liability	35	<u>52,192</u>	<u>52,540</u>	<u>52,192</u>	<u>52,540</u>
Represented by:					
Unrestricted funds		7,825	6,848	7,825	6,848
Designated funds	32	47,591	47,657	47,591	47,657
Pension deficit	35	<u>(4,727)</u>	<u>(5,932)</u>	<u>(4,727)</u>	<u>(5,932)</u>
General funds		50,689	48,573	50,689	48,573
Restricted funds	33	<u>1,503</u>	<u>3,967</u>	<u>1,503</u>	<u>3,967</u>
Capital funds		-	-	-	-
Funds		<u>52,192</u>	<u>52,540</u>	<u>52,192</u>	<u>52,540</u>

Approved by the Trustee Board and signed on its behalf by:



Professor Nigel Mathers
Chair of Trustee Board



Dr Steve Mowle FRCGP
Honorary Treasurer

Approved on 23 July 2020

Consolidated cash flow statement

Cash flow statement

	2020 £'000	2019 £'000
Net cash inflow from operating activities	783	3,737
Returns on investments and servicing of finance:		
Interest received	30	33
Dividends received	64	75
Net cash inflow from returns on investments	<u>94</u>	<u>108</u>
Payments to acquire tangible fixed assets	(982)	(2,940)
Purchase of investments	(3,896)	(6,634)
Proceeds from disposal of investments	3,963	6,368
Net cash outflow from investing activities	<u>(915)</u>	<u>(3,206)</u>
Pension deficit repayments	(980)	(980)
Capital repayment of secured loan	(3,200)	(3,200)
Interest payable on secured loan	(560)	(668)
Revaluation of investment property	(35)	(224)
Interest rate swap liability	289	235
Net cash outflow from financing activities	<u>(4,486)</u>	<u>(4,837)</u>
Cash outflow before use of liquid resources	(4,524)	(4,198)
Decrease in short term deposits	389	4,712
(Decrease) / Increase in cash	<u><u>(4,135)</u></u>	<u><u>514</u></u>

Reconciliation of incoming resources to operational cashflow

	2020 £'000	2019 £'000
Net incoming resources	(707)	(2,251)
Adjustment for investments	(378)	393
Adjustment for pension	134	462
Depreciation	2,506	2,105
Interest payable on secured loan	560	668
Investment income and bank interest receivable	(94)	(108)
Decrease / (Increase) in stock	11	(11)
Decrease / (Increase) in debtors	71	(255)
(Decrease) / Increase in creditors	<u>(1,320)</u>	<u>2,734</u>
Net cash inflow from operating activities	<u><u>783</u></u>	<u><u>3,737</u></u>

Reconciliation of movement in net debt

	2020 £'000	2019 £'000
Increase / (decrease) in cash	(4,135)	514
Cash outflow from bank loan	3,200	3,200
Movement in net debt in the period	<u>(935)</u>	<u>3,714</u>
Net debt at 1 April 2019	<u>(14,684)</u>	<u>(18,398)</u>
Net debt at 31 March 2020	<u><u>(15,619)</u></u>	<u><u>(14,684)</u></u>

Analysis of net debt

	2020 £'000	2019 £'000
Cash held by investment managers (note 26)	540	508
Cash at bank and in hand (note 28)	4,637	8,804
	<u>5,177</u>	<u>9,312</u>
Bank loan due within one year (note 29)	(533)	(3,200)
Bank loan due after one year (note 30)	<u>(20,263)</u>	<u>(20,797)</u>
Net debt at 31 March 2020	<u><u>(15,619)</u></u>	<u><u>(14,685)</u></u>

Notes to the financial statements

Year to 31 March 2020

1. Charity information

The Royal College of General Practitioners is a Chartered Corporation and a registered charity, administered in accordance with its Royal Charter, Ordinances and Bye-Laws. The Charter was granted to the College in 1972. The Charity Registration Numbers are 223106 (England) and SC040430 (Scotland). The registered address is 30 Euston Square, London, NW1 2FB.

2. Basis of accounting

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice 2005 which has since been withdrawn.

The Royal College of General Practitioners meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Trustees have considered several factors in concluding that the adoption of a going concern basis in the preparation of these financial statements is appropriate. These factors have included a summary of the key risks and uncertainties in the context of the College's operations (including COVID 19), a review of the budgets and forecasts, including those produced in developing the recovery plan. The recovery plan also considers the mitigating actions the College can deploy and considers both immediate liquidity and longer term solvency, together with the impact of reserves.

For the period to 31 March 2022 the Board has considered the impact of a series of scenarios, detailing what is considered to be a 'baseline' position' against a 'best-case' and 'worst-case' scenario. Further to this the Board has reviewed a 3 year financial plan to the period ending to March 2023.

Working capital requirements are met through a combination of income received from business activities. The College has the ability to drawdown against funds held within the College's investment portfolio if required. The College has a loan facility in place with Barclays Bank as detailed in note 30 to the financial statements. During the year the College agreed an extension to the amortisation of the loan increasing the

2. Basis of accounting (continued)

term from 12.5 years to 15 years. In June the College also agreed a deferral of loan capital repayments for 12 months from June 2020.

The COVID-19 pandemic has had a significant, immediate impact on the College's operations.

The government guidelines introduced in March resulted in the Clinical Skills Assessment examination in March and the Applied Knowledge Test in April being cancelled. The College has developed an alternative Recorded Consultation Assessment with the first sitting for up to 450 candidates to take place in July. Further dates are set for the remainder of 2020 and into 2021 with increased capacity for each sitting moving forwards. The current forecast indicates this should not unduly impact financial performance in this area during the period of review.

Membership income is a key income stream and the College continues to ensure the delivery of value of being a member to guard against any decline here.

The most significant financial impact is in relation to the cancellation of face to face events and conferences, impacting College activity directly as well as activity in the College's wholly owned trading subsidiary, RCGP Enterprises, as third-party events have not been able to be hosted at 30 Euston Square.

As detailed above, Trustees have reviewed scenarios and approved a recovery plan to mitigate the impact of the pandemic which includes cost saving measures, utilising the support offered by the UK government through its Coronavirus Job Retention Scheme and agreeing a 12 month loan repayment deferral with Barclays.

Having regard to the above the Trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3. Basis of consolidation

The consolidated accounts comprise the results of the College and its wholly owned subsidiary companies, RCGP Conferences Limited (company number 03896012 (England and Wales)) and RCGP Enterprises Limited (company number 01984344 (England and Wales)), made up to the balance sheet date. Accounts of both companies will be filed with the Registrar of Companies.

A separate statement of financial activities for the College is not presented as permitted by the SORP. The College has taken advantage of the exemption available to a qualifying entity in FRS102 from the requirement to present a College only cash flow statement.

4. Income

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

Membership/Examination income is credited to the statement of financial activities (SoFA) in the year to which it relates.

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

Donation income is credited to the SoFA when received.

Legacies are included in the statement of financial activities when the College is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

5. Expenditure and the basis of apportioning costs

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure comprises the following:

- a The costs of generating funds include the salaries, direct costs and overheads associated with generating income and the fees paid to the investment managers in connection with the management of the College's listed investments.
- b Charitable activities comprise expenditure on the College's primary charitable purposes as described in the Report of the Trustee Board on pages 8 to 21. Such costs include grants payable which are included within the SoFA when approved and when the intended recipient has either received the funds or has been informed of the decision to make the grant and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for.
- c Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the College it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment. These costs are allocated out to the activities they are supporting on the basis of the number of employees and are described in note 21.

6. Investments

Listed investments are included in the balance sheet at their open market value at the end of the financial period. Realised and unrealised gains or losses are recorded in the SoFA in the year in which they arise.

Investment property is revalued annually using a discounted cash flow approach to rental income.

Investments in subsidiary companies are included at cost.

7. Stocks

All stocks are stated at the lower of cost and their net realisable value.

8. Tangible fixed assets

All assets costing more than £5,000 and with an expected useful life expectancy exceeding one year are capitalised. The College also capitalises items of less than £5,000 which are part of the capital replacement programme.

Freehold properties, comprising freehold buildings and freehold land owned by the College are stated in the accounts at cost.

Freehold buildings which, following professional advice, are deemed to equate to 85% of the total cost of the freehold properties are depreciated over 50 years, on a straight line basis.

Finance costs and interest payments associated with the acquisition of fixed assets are not capitalised.

No depreciation is charged on freehold land.

Improvements to property are depreciated on a straight line basis over five years.

Furniture and equipment (other than computer equipment) is capitalised and depreciated on a straight line basis over two or five years determined by the useful life of the asset.

Computer equipment, software and network systems are capitalised and depreciated over three years with the exception of servers and website which are depreciated over five years both on a straight line basis and IT design equipment which is depreciated over 7 years.

The CRM is capitalised and depreciated over 10 years.

8. Tangible fixed assets (continued)

Website and Revalidation capitalisation - Design and content development costs have been capitalised only to the extent that they lead to the creation of an enduring asset delivering future economic benefits at least as great as the amount capitalised. The useful life has been determined to be five years with exception of software costs which have a three year life and are both depreciated on a straight line basis. The carrying value of the asset will be subject to annual impairment reviews.

9. Debtors

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

10. Cash at bank and in hand

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

11. Creditors and provisions

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

12. Financial instruments

The College only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Included in creditors is a total of £0.6m relating to the interest rate swap on the College's loan. This is a derivative financial instrument which has been measured at fair value through the SoFA.

Other basic financial instruments held by the college include investments measured at fair value through statement of financial activities, total value £11.0m (2019: £10.7m). Financial assets held at amortised cost total £12.1m (2019: £12.6m) whilst financial liabilities at amortised cost total £26.5m (2019: £30.9m) including loan commitments of £20.8m.

13. Fund accounting

Endowment funds comprise monies which must be held indefinitely as capital. Income therefrom is credited to the general fund and may be used for any general purpose; unless under the terms of the endowment, any such income is to be used only for a specific purpose. If a restriction is applicable, then all such income is credited to the appropriate restricted fund.

Restricted funds comprise monies raised for, or have their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the College's charitable objects.

14. Councils and faculties

Transactions, assets and liabilities of the Scotland, Wales and Northern Ireland Councils and the individual faculties of the College are included in the SoFA and balance sheet of the College.

15. Pension costs

The College operates two pension schemes for or on behalf of eligible staff:

i) Group personal pension plan

All staff are eligible to contribute to this scheme on joining the College. The College contributes 8% and employees contribute 4%, based on eligible employees' pensionable earnings, which is payable to employees' personal pension plans. Contributions by the College are recognised in the SoFA in the period to which they relate.

ii) Defined benefit pension plan

The College contributes to a defined benefits pension scheme providing benefits based on final pensionable salary, which closed on 30 June 2006. Pensionable contributions are paid into the scheme in accordance with the recommendations of actuaries.

The scheme is funded, with the assets of the scheme held separately from those of the College.

Current service costs, past service costs, gains and losses on settlement and curtailments, interest on pension scheme liabilities and the expected return on pension scheme assets are charges to resources expended, allocated on the basis of the number of employees.

Actuarial gains and losses are recognised immediately as other recognised gains and losses, after "net incoming/ (outgoing) resources for the year".

As detailed in note 35, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit pension scheme liability is presented separately after "net assets excluding pension liability" on the face of the balance sheet.

16. Termination payments

Termination payments are recognised as an expense in the SoFA when incurred.

17. Leased assets: Lessor

Rentals applicable to operating leases are charged to the SoFA on a straight line basis over the period of the lease.

18. Leased assets: Lessee

Rentals applicable to operating leases are charged to the SoFA on a straight line basis over the period of the lease.

19. Related Party Transactions

During the year the entity made payments for services of £3,400 to Pendleton King of which Mr D Pendleton is a director, £152,558 to Health Education England of which Professor S Gregory is a director of in Midlands and East. There were no amounts outstanding between the charity and these entities at year end. Transactions with other group companies are declared in note 26.

20. Critical accounting judgements and estimates

The preparation of the Group financial statements requires the use of certain judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, including the assumptions associated with the College's pension scheme liability. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information or more experience, for example with the actuarial assumptions used for the pension scheme.

21. Expenditure

	Direct costs £'000	Grants made £'000	Support costs £'000	Total 2020 £'000	Total 2019 £'000
Cost of generating funds					
Fundraising costs	9	-	-	9	6
Commercial expenditure	6,892	-	-	6,892	6,862
Investment management	51	52	-	103	129
Charitable expenditure					
Future of general practice	3,024	-	1,542	4,566	4,674
GP education	6,462	-	3,986	10,448	11,315
Supporting membership	7,404	-	6,554	13,958	14,757
Voice of General Practice	5,014	-	3,194	8,208	7,993
Total	28,856	52	15,276	44,184	45,736

Support costs total £15.3m (2019: £15.4m) for the year. These include property services, finance, IT, HR and other governance costs. These are allocated on a headcount basis as below. Included is £45k (2019: £42k) for audit fees.

Support costs	2020 £'000	2019 £'000
Finance & procurement	1,908	1,614
Property costs (including depreciation)	5,913	5,875
Faculty & devolved council support	1,209	1,988
IT costs	4,852	4,147
HR (including pension costs)	1,169	1,375
Governance	225	373
	15,276	15,372

22. Grants payable

During the year thirteen (2019: thirteen) grants payable were from restricted funds to individuals totalling £52k (2019: £100k). These grants were made in accordance with the policy outlined in the Trustees report.

23. Employee information

	2020 £'000	2019 £'000
Wages and salaries	11,776	10,904
Social security costs	1,228	1,143
Childcare Vouchers	38	57
Group personal pension plan costs	1,489	1,344
	14,531	13,448

The average number of employees during the year was as follows:

	2020	2019
Cost of generating funds, charitable activities and governance	274	270
Support function	53	47
Total	327	317

At year end the number of employees whose emoluments exceeded £60k was:

£60,001 - £70,000	17	14
£70,001 - £80,000	10	4
£80,001 - £90,000	4	5
£90,001 - £100,000	-	1
£100,001 - £110,000	3	1
£110,001 - £120,000	1	1
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
	36	27

During the year the College paid salaries, including Employer's NI and pension, totalling £775,849 (2019: £832,860) to key management personnel as listed on page 9.

During the year the College made redundancy payments of £57k (2019: £10k) and there were no balances outstanding at year end (2019: £Nil).

Employer pension contributions totalling £361k (2019: £182k) were made in respect of thirty-six employees (2019: twenty-seven) who earned total emoluments in excess of £60,000.

24. Trustees' and council members' expenses

None of the Trustees or members of Council received any remuneration in respect of their services in those roles during the year (2019: none).

Expenses in the year were paid to 71 Trustees (2019: 91) and members of council and comprised the following:

	2020 £'000	2019 £'000
Locum fees	109	156
Travel and subsistence	130	192
	239	348

25. Tangible fixed assets

	Freehold properties	Furniture and equipment	Computer and network systems	Revalidation system and website	Total
Cost (£'000)					
At 1st April 2019	73,538	3,652	11,553	224	88,967
Additions	-	56	926	-	982
Reclassification	(1,836)	1,836	-	-	-
Disposals	-	(2,480)	(4,087)	(38)	(6,605)
At 31st March 2020	71,702	3,064	8,392	186	83,344
Depreciation (£'000)					
At 1st April 2019	7,550	3,283	6,384	165	17,382
Charge for the year	1,205	386	900	14	2,505
Disposals	-	(2,480)	(4,087)	(38)	(6,605)
At 31st March 2020	8,755	1,189	3,197	141	13,282
Net book values (£'000)					
At 31st March 2020	62,947	1,875	5,195	45	70,062
At 31st March 2019	65,988	369	5,169	59	71,585

Assets under construction costing £0.1m are included in Furniture and equipment and in Computer and network systems there is a total costing £0.9m.

£1.8m of assets under construction have been completed in the year and transferred to Furniture and equipment

Freehold property includes 30 Euston Square, London and 25 Queen Street, Edinburgh, and in the opinion of the Trustee Board the market value of these properties is considerably in excess of their cost.

26. Investments

	College		Group	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Listed investments				
Market value at 1 April 2019	6,647	6,774	6,647	6,774
Additions at cost	3,896	6,634	3,896	6,634
Disposals at opening market value	(3,963)	(6,368)	(3,963)	(6,368)
Net unrealised investment gains / (losses)	378	(393)	378	(393)
Market value at 31 March 2020	6,958	6,647	6,958	6,647
Other investments				
Cash held by investment managers	540	508	540	508
Investment property	3,572	3,537	3,572	3,537
Total	11,070	10,692	11,070	10,692

	RCGP Enterprises Ltd		RCGP Conferences Ltd	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Turnover	8,561	8,798	2,389	2,282
Cost of sales	(5,820)	(5,658)	(1,678)	(1,469)
Gross profit	2,741	3,140	711	813
Administrative expenses	(95)	(111)	(178)	(184)
Operating profit	2,646	3,029	533	629
Gift aid to parent	(2,646)	(3,029)	(533)	(629)
Net profit for year	-	-	-	-
Assets	2,486	3,143	525	953
Liabilities	(2,486)	(3,143)	(525)	(953)
Net assets	-	-	-	-

The College owns the entire share capital of RCGP Enterprises Limited and RCGP Conferences Limited, both registered in England and Wales. Both traded in the year, RCGP Enterprises Limited providing catering and event income from room hire at 30 Euston Square and RCGP Conferences Limited the annual conference and other events. At year-end both RCGP Enterprises Limited and RCGP Conferences Limited had net assets of £1 (2019: £1).

During the year RCGP Enterprises made sales of room hire and catering services totalling £1.6m (2019: £1.6m) to the College. At year-end there is a balance of £1.2m (2019: £0.01m) owing from College to the RCGP Enterprises Limited.

During the year RCGP Conferences made sales of publishing services totalling £0.01m (2019: £0.02m) to the College. At year end there is a balance of £0.3m (2019: £0.7m) owing from RCGP Conferences Limited to the College.

26. Investments (continued)

During the year the College established RCGP International Limited for the purpose of carrying out commercial work overseas. The College owns the entire share capital of RCGP International Limited. The company did not trade in the year.

The balance included in investments for investment property is the valuation applied to the area of 30 Euston Square rented out to 3rd parties. The valuation has been calculated using a discounted cash flow model based on forecast yields.

27. Debtors

	College		Group	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	1,237	1,343	2,010	2,567
Other debtors	71	222	109	264
Accrued income	200	183	244	234
Amount due from RCGP Conferences Ltd	285	672	-	-
Prepayments	986	356	991	360
	2,779	2,776	3,354	3,425

28. Cash at bank

	College		Group	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Current accounts	915	3,263	1,789	6,000
Faculties' current and deposit accounts	2,848	2,804	2,848	2,804
	3,763	6,067	4,637	8,804

29. Creditors

	College		Group	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	2,537	1,490	2,757	2,665
Income received in advance	4,060	3,482	5,634	5,373
Accruals	1,858	3,353	1,943	3,434
Taxation and social security	237	363	540	641
Barclays Loan due within one year	533	3,200	533	3,200
Other creditors	426	506	426	506
Amount due to RCGP Enterprises	692	4	-	-
Interest rate swap	601	312	601	312
	10,944	12,710	12,434	16,131

29. Creditors (continued)

The interest rate swap is valued at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. It has an average fixed rate of 2.662%, the notional principal value is £27.2m and is shown at fair value of £0.6m.

The College has agreed a deferral of loan capital repayments with Barclays for 12 months from June 2020.

Reconciliation of deferred income	College		Group	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Balance brought forward	3,482	2,731	5,373	4,488
Released to SoFA	(3,482)	(2,731)	(5,373)	(4,488)
Deferred in year	4,060	3,482	5,634	5,373
Balance carried forward	4,060	3,482	5,634	5,373

30. Creditors: amounts falling due after more than one year

	College		Group	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bank loan due between 2 & 5 years	10,128	12,800	10,128	12,800
Bank Loan due after 5 years	10,136	7,997	10,136	7,997
	20,264	20,797	20,264	20,797

The College has entered into an agreement with Barclays Bank plc for a development and term loan facility of up to £32m. The bank loan is secured by way of a first legal charge over the College's headquarters (that is, 30 Euston Square, London, NW1 2FB)

The College's exposure to interest rate fluctuations on the loan has been managed by using an interest rate swap. An agreement was signed in July 2016 to fix the interest costs on the loan at 2.662%.

The College has agreed an extension to the amortisation of the loan with Barclays, increasing the term of the loan from 12.5 years to 15 years.

31. Operating leases

	College		Group	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Operating lease due within 1 year	51	6	51	6
Operating lease due with 2 & 5 years	102	-	102	-
	153	6	153	6

Operating leases relate to IT equipment and renewals are at the option of the lessee. The annual lease cost is £153k (2019: £6k)

32. General and designated funds

	At 1 April 2019 £'000	Income £'000	Expenditure £'000	Realised and unrealised gains/(loss) £'000	Transfers £'000	At 31 March 2020 £'000
International	215	-	(70)	-	-	145
Education	200	39	(72)	-	-	167
Special measures & other projects	204	211	(93)	-	-	322
CIRC Projects	1,544	1,257	(1,403)	-	-	1,398
Scottish Council Funds	132	-	-	-	(132)	-
Northern Ireland Council Funds	10	-	-	-	(10)	-
RCGP Wales Development Fund	7	-	-	-	(7)	-
Faculties Central Designated Funds	6	-	-	-	(6)	-
Fixed Assets Designated Fund	43,565	-	-	-	1,994	45,559
Strategic Development Fund	283	-	(38)	-	(245)	-
Leadership fund	118	-	(53)	-	(65)	-
Business development fund	441	-	(19)	-	(422)	-
Contingency & Capacity Fund	932	-	(131)	-	(801)	-
Total Designated Funds	47,657	1,507	(1,879)	-	306	47,591
General funds	6,848	41,179	(41,001)	(57)	856	7,825
Pension funds	(5,932)	-	(134)	359	980	(4,727)
Total Unrestricted funds	48,573	42,686	(43,014)	302	2,142	50,689

International Fund – This fund was set up following the introduction of the MRCGP International programme to support the development of general practice/family medicine world-wide and in raising standards of the discipline, being of equivalent academic rigour to the MRCGP in the UK. A new category of International Member was created, and the designation MRCGP [INT] will be in addition to the qualification awarded by the relevant national bodies in the countries concerned, which fund the accreditation process. These are expected to be utilised over the next few years.

Special measures and other projects – This is project funding relating to the work the College undertakes supporting practices that are at risk of being placed in special measures. It is anticipated the fund will be utilised over the next year.

Education – These relate to projects the College is undertaking delivering education programs for General Practice, primarily in e-learning. These will be spent over the development of the various projects, which is normally 1 year.

CIRC projects – This is project funding relating to the work the College undertakes delivering clinical innovation and research, these funds are expected to be spent over the life span of the projects which is normally 1 year.

Scottish Council Designated Funds – The funds comprised mainly of monies set aside to cover the expenses for specifically identified tasks and Scottish Council funded projects. These designations have been released to general funds as the College intends to budget for these going forward.

32. General and designated funds (continued)

Northern Ireland Council Designated Funds – The funds comprise mainly of monies set aside to cover the expenses for specifically identified tasks and Northern Ireland Council funded projects. These designations have been released to general funds as the College intends to budget for these going forward.

RCGP Wales Designated Funds – The funds comprise mainly of monies set aside to cover the expenses for specifically identified tasks and Welsh Council funded projects. These designations have been released to general funds as the College intends to budget for these going forward.

Faculties Central Designated Funds - The funds comprise mainly of monies set aside to cover the expenses for specifically identified tasks and Faculties central funded projects. These designations have been released to general funds as the College intends to budget for these going forward.

Fixed Asset Designated Fund – The charity has established a separate reserve to reflect a proportion of the value of the College's building assets to prevent the general reserves being overstated by the inclusion of assets which are part of its permanent operating structure. This reserve is different from other reserves as it cannot be realised for cash purposes (e.g. as in charging any other fees or costs that are payable by means of cash going out – this is what we normally do for most designated funds). Transfers represent the net effect of additions to the building, depreciation on the asset and repayment of the loan secured against it.

Strategic Development Fund – This comprises monies set aside for development activities to support the key areas of the Strategic Plan. These designations have been released to general funds as the College intends to budget for these going forward.

Leadership Fund – This comprises monies set aside for development activities for key management personnel and the development of other employees. These designations have been released to general funds as the College intends to budget for these going forward.

Capacity & Contingency Fund – This comprises monies to fund unbudgeted and necessary operational expenditure. These designations have been released to general funds as the College intends to budget for these going forward.

Business Development Fund – This was established by transfer of funds from the general reserve to allow the College the agility to respond to developing commercial opportunities. These designations have been released to general funds as the College intends to budget for these going forward.

33. Restricted funds

	At 1 April 2019 £'000	Income £'000	Expense £'000	Realised and Unrealised gains/(loss) £'000	Transfers £'000	At 31 March 2020 £'000
Kuenssberg Prize	91	1	(1)	3	-	94
Other secretariat funds	58	-	(4)	-	-	54
Other international funds	193	26	(71)	2	-	150
Information Service Foundation	145	5	(122)	28	(56)	-
OLE & educational	376	315	(353)	-	-	338
CIRC Projects	451	146	(186)	-	-	406
Scientific Foundation Board	2,065	20	(103)	120	(2,086)	16
Scottish Appeal Fund	150	1	(159)	8	-	-
Other Scottish Funds	48	168	(143)	-	-	73
Northern Ireland Funds	4	-	(4)	-	-	-
Welsh funds	65	5	(24)	-	-	46
Faculties funds	321	-	-	-	-	321
Total Restricted Funds	3,967	687	(1,170)	161	(2,142)	1,503

33. Restricted funds (continued)

Kuennsberg prize – This is awarded to those who have had an impact on clinical excellence or patient safety in general practice.

Library foundation and information service foundation – Established to provide library and information services to members. Upon review this was found to be misclassified and has been released to general funds.

OLE & educational – For ongoing maintenance and development of online learning platform.

CIRC projects – These funds represent grant project income for clinical innovation and research.

Scientific foundation board – The main fund is to provide awards for research in issues affecting general practice. The general fund was found to be incorrectly classified as restricted upon review of historical reports and has been transferred to general funds. 3 named funds remain which are under review.

Scottish appeal fund – This appeal was established to develop the College in Scotland.

Faculties funds – These funds are grants held by individual faculties for a range of purposes.

34. Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total 2019 £'000
Tangible fixed assets	70,062	-	-	70,062
Investments	9,412	1,658	-	11,070
Net current liabilities	(3,794)	(155)	-	(3,949)
Amounts falling due after one year	(20,264)	-	-	(20,264)
Net assets excluding pension liability	55,416	1,503	-	56,919
Pension liability	(4,727)	-	-	(4,727)
Net assets including pension liability	50,689	1,503	-	52,192

35. Pension commitments

As described in Note 15, the College operates two pension schemes, one of which is a defined benefits scheme. The assets of this scheme are held separately from those of the College, being invested with Insight Investment Management Limited.

The last formal actuarial valuation was at 1 April 2017 which was updated to the 31 March 2020 by a qualified independent actuary. Pension deficit funding contributions was agreed at £1.0m per annum from April 2018.

The level of funding at 1 April 2017 was 82%, and the market value of the fund at the time of the last valuation was £4.2m. The pension contribution for the year was £1.0m (2019: £1.0m), and no amounts were outstanding at the year end.

Financial Reporting Standard 102 (FRS102) requires the surplus or deficit on the Scheme as at 31 March 2020, calculated in accordance with the requirements of the FRS102, to be included on the balance sheet.

For the purpose of FRS102, the assets of the Scheme have been taken at market value and the liabilities have been calculated by a qualified independent actuary. The major assumptions used by the actuary were:

35. Pension commitments (continued)

	2020	2019	2018	2017	2016
	%	%	%	%	%
Rate of increase in salaries	2.05	2.45	2.30	2.40	2.10
LPI pension increases (based on RPI subject to a maximum of 5% p.a.)	3.45	3.45	3.30	3.40	3.10
Discount rate	2.30	2.45	2.60	2.50	3.70
RPI Inflation assumption	2.85	3.45	3.30	3.40	3.10
CPI Inflation assumption	2.05	2.45	2.30	2.40	2.10
Expected long-term rate of return on scheme assets	2.05	2.45	2.60	2.50	4.90

The underlying mortality assumption is based upon the standard table known as S2PA Light on the year of birth usage with medium cohort future improvements based on the CMI 2016 mortality projection and subject to a long-term rate of future improvement equal to 1.25% p.a for men and 1.00% for women (2018 same). This gives the following life expectancies in years at 60, for members aged either 45 or 60 at the latest valuation date 1 April 2017 and updated to 31 March 2020 by a qualified independent actuary (with comparative figures based on mortality assumptions used at previous year end)

	Value at 31 March 2020 £'000	%	Value at 31 March 2019 £'000	%
Equity and property	13,230	49	13,441	52
GARS & LDI Funds	13,500	50	12,407	48
Cash	270	1		
		100		100
Total market value of assets	27,000		25,848	
Present Value of Scheme Liabilities	(31,727)		(31,780)	
Net Pension Liability	<u>(4,727)</u>		<u>(5,932)</u>	

	2020 £'000	2019 £'000
Movement in deficit during year		
Deficit at 1 April 2019	(5,932)	(7,924)
Contributions	980	980
Other finance costs	(134)	(462)
Actuarial gain	359	1,474
Deficit at 31 March 2020	<u>(4,727)</u>	<u>(5,932)</u>

35. Pension commitments (continued)

	2020 £'000	2019 £'000
Analysis of amount charged to Statement of Financial Activities		
Other finance cost	(134)	(462)
Total operating charge	(134)	(462)
Analysis of net return on pension scheme		
Expected return on pension scheme assets	638	606
Interest on pension liabilities	(772)	(1,068)
Net return	(134)	(462)
Actual return on Scheme assets	735	905
Amounts recognised as Pension Scheme gains and losses		
Actual return less expected return on pension scheme assets	97	1,802
Experience gains and losses arising on scheme liabilities	45	738
Change in financial and demographic assumptions underlying scheme assets	217	(1,066)
Actuarial (loss) recognised in the Statement of Financial Activities	359	1,474
	2020 £'000	2019 £'000
Cumulative amount of actuarial gains and losses recognised for the year ending 31 March 2020 are as follows:		
Cumulative actuarial (loss) at beginning of the period	(12,387)	(13,861)
Recognised during the period	359	1,474
Cumulative actuarial (loss) at end of the period	(12,028)	(12,387)
Movement in (deficit) during the year ending 31 March 2020 are as follows:		
(Deficit) in Scheme at the beginning of year	(5,932)	(7,924)
Expenses recognised in profit and loss	(134)	(462)
Contribution paid by the College	980	980
Actuarial gain	359	1,474
(Deficit) in Scheme at the end of the year	(4,727)	(5,932)
Changes in the present values of the Scheme liabilities for the year ending 31 March 2020 are as follows:		
Present value of Scheme liabilities at the beginning of period	31,780	30,921
Interest cost	772	799
GMP equalisation cost	-	269
Actuarial losses/(gains)	(262)	328
Benefits paid	(563)	(537)
Present value of Scheme liabilities at end of period	31,727	31,780

35. Pension commitments (continued)

	2020	2019
	£'000	£'000
Changes in the present values of the Scheme assets for the year ending 31 March 2020 are as follows:		
Market Value of Scheme assets at the beginning of period	25,848	22,997
Expected return	638	606
Actuarial gains	97	1,802
Benefits paid	(563)	(537)
Contributions paid by the College	980	980
	<hr/>	<hr/>
Market value of Scheme assets at the end of period	27,000	25,848

Group Personal Pension Plan

On 1 July 2006, the College established a Group Personal Pension Plan with Aviva into which it contributes a minimum of 8% of basic annual salary provided the employee also contributes a minimum of 4%. In order to comply with legislation, a Stakeholder Plan was also established but no employer contribution is paid into this arrangement and, to date, nobody has joined.

The assets of the Group Personal Pension Plan are held separately from those of the College and are invested by Aviva. The total employer contribution for the year was £1.5m (2019: £1.3m) The pension contribution outstanding at 31 March 2020 was £0.1m (2019: £0.1m).

36. Post balance sheet events

Since the year end the COVID-19 pandemic has continued to take hold globally. The pandemic has had a significant immediate impact on the Charity's operations. The Trustees and management team are actively managing the impact as detailed in the going concern statement in the accounting policies. There have been significant changes to activity arising from the impact of COVID-19, in particular with reductions in events and conferences activity. The College has agreed a finance recovery plan to mitigate this impact, including cost-saving measures, reductions in planned capital expenditure and deferral of loan repayments for 12 months from June 2020.

37. Prior year financial information

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total £'000
Incoming resources				
Voluntary				
Donations	2	8	-	10
Charitable activities				
Project income	3,784	878	-	4,662
Examination fees	6,663	-	-	6,663
Membership income	19,773	-	-	19,773
Courses & events	2,216	-	-	2,216
Other income	796	52	-	848
Trading activities				
Trading income from subsidiaries	9,375	-	-	9,375
Investment income	69	39	-	108
Total incoming resources	42,678	977	-	43,655
Resources expended				
Cost of generating funds				
Fundraising costs	6	-	-	6
Trading expenditure	6,862	-	-	6,862
Investment management fees	2	127	-	129
	6,870	127	-	6,997
Charitable expenditure				
Future of general practice	4,410	264	-	4,674
GP education	10,963	352	-	11,315
Supporting membership	14,339	418	-	14,757
Voice of General Practice	7,835	158	-	7,993
	37,547	1,192	-	38,739
Total expenditure	44,417	1,319	-	45,736
Net (expenditure)/ income before gains	(1,739)	(342)	-	(2,081)
Net (losses)/gains on investments	(35)	(135)	-	(170)
Transfers between funds	1,713	(323)	(1,390)	-
Actuarial gains	1,474	-	-	1,474
Net movement in funds	1,413	(800)	(1,390)	(777)
Balances at 1st April 2018	47,160	4,767	1,390	53,317
Balances at 31st March 2019	48,573	3,967	-	52,540

37. Prior year financial information (continued)

	At 1 April 2018 £'000	Income £'000	Expense £'000	Realised and Unrealised gains/(loss) £'000	Transfers £'000	At 31 March 2019 £'000
Kuenssberg Prize	92	2	(1)	(2)	-	91
Other secretariat funds	60	-	(2)	-	-	58
International Travel Scholarship	346	6	(17)	(12)	(323)	-
Other international funds	241	93	(139)	(2)	-	193
Information Service Foundation	322	-	(156)	(21)	-	145
OLE & educational	186	542	(352)	-	-	376
CIRC Projects	527	151	(227)	-	-	451
Scientific Foundation Board	2,262	23	(127)	(93)	-	2,065
Scottish Appeal Fund	274	7	(126)	(5)	-	150
Other Scottish Funds	122	87	(161)	-	-	48
Northern Ireland Funds	4	-	-	-	-	4
Welsh funds	31	45	(11)	-	-	65
Faculties funds	300	21	-	-	-	321
Total Restricted Funds	4,767	977	(1,319)	(135)	(323)	3,967

Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total 2019 £'000
Tangible fixed assets	71,585	-	-	71,585
Investments	8,171	2,522	-	10,693
Net current assets	(4,454)	1,445	-	(3,009)
Amounts falling due after one year	(20,797)	-	-	(20,797)
Net assets excluding pension liability	54,505	3,967	-	58,472
Pension liability	(5,932)	-	-	(5,932)
Net assets including pension liability	48,573	3,967	-	52,540

37. Prior year financial information (continued)

	At 1 April 2018 £'000	Income £'000	Expenditure £'000	Realised and unrealised gains/(loss) £'000	Transfers £'000	At 31 March 2019 £'000
International	239	7	(31)	-	-	215
Other Policy and Communications	1	-	(1)	-	-	-
Education	247	-	(47)	-	-	200
Special measures & other projects	163	96	(55)	-	-	204
CIRC Projects	1,441	1,644	(1,541)	-	-	1,544
Scottish Council Funds	116	24	(8)	-	-	132
Northern Ireland Council Funds	10	-	-	-	-	10
RCGP Wales Development Fund	8	-	(1)	-	-	7
Faculties Central Designated Funds	20	-	(14)	-	-	6
Fixed Assets Designated Fund	41,570	-	-	-	1,995	43,565
Strategic Development Fund	616	-	(333)	-	-	283
Leadership fund	183	-	(65)	-	-	118
Business development fund	500	-	(59)	-	-	441
Contingency & Capacity Fund	1,038	-	(106)	-	-	932
Total Designated Funds	46,152	1,771	(2,261)	-	1,995	47,657
General funds	8,932	40,907	(41,694)	(35)	(1,262)	6,848
Pension funds	(7,924)	-	(462)	1,474	980	(5,932)
Total Unrestricted funds	47,160	42,678	(44,417)	1,439	1,713	48,573

During the year 2018-19 the entity made payments for services of £10,594 to Pendleton King of which Mr D Pendleton is a director, £119,808 to Health Education England of which Professor S Gregory is a director of in Midlands and East, and £9,909 to DL Practice Management Consultancy, of which F Dalziel, the wife of Dr C Hunter, is a director.