

Annual report and accounts

31 March 2019



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 2019

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.

We are particularly proud of the success of our #BackGP campaign, which was instrumental to the £4.5 billion annual funding boost for general practice in England, announced in the NHS Long Term Plan (2019).

The College has continued to grow in the year, with 2018/19 seeing the College increase membership to over 53,000. We launched our new membership strategy in 2018 which aims to improve GP members' experience and engagement with the College and we envisage this will help us to continue to grow. As part of our work for our members we ensure that our wellbeing strategy underpins our work in helping GPs avoid burn-out and stress, and we developed initiatives to better support early career (First5) GPs, and our later career and retired members.

Visitors to the home of General Practice, 30 Euston Square, will see that the work on the High Speed Rail project (HS2) is very much underway. We continue to engage pro-actively with HS2 Ltd to ensure the effects of any risks are monitored and mitigated. We remain confident that the project will offer many opportunities as well as challenges and we will assess how the College can best benefit from these.

The next year promises to be another exciting year for the College, as we continue to help our members with the challenges facing the profession. The college continues to develop its membership benefits including plans to develop a member app, roll out a new trainee eportfolio and enhanced CPD offer over the next 12 months. We will continue our work in earnest in 2019/20, including delivering on our 10-year ambitions for the profession outlined in our milestone report, Fit for the Future: a Vision for General Practice, which was published in May 2019.

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 2019

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 ending 31 March 2019 were:

Chair and Officers

Chair	Dr Colin Hunter FRCGP (until 23 Nov 18) Prof Nigel Mathers FRCGP (from 24 Nov 18)
Honorary Treasurer	Dr Steve Mowle FRCGP
Honorary Secretary (job-share)	Dr Jonathan Leach FRCGP (until 23 Nov 18) Dr Victoria Tzortziou-Brown FRCGP (from 24 Nov 18)
Chair of Council	Prof Helen Stokes-Lampard FRCGP

Council Member Trustees

Dr John Chisholm CBE FRCGP
Dr Christine Johnson FRCGP
Dr Miles Mack FRCGP
Prof Simon Gregory FRCGP

Lay Trustees

Dr David Pendleton FRCGP (Hon)
Mr Edward Dove (until 23 Nov 18)
Mr Brendan Russell (from 24 Nov 2018)
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 2019 were as follows:

President and Officers

President	Prof Mayur Lakhani CBE FRCGP
Chair	Prof Helen Stokes-Lampard FRCGP
Vice-Chair (External Affairs)	Prof Martin Marshall CBE FRCGP
Vice-Chair (Professional Development)	Prof Kamila Hawthorne MBE FRCGP – until 23 Nov 2018 Dr Michael Mulholland FRCGP – from 24 Nov 2018
Vice Chair (Membership & International)	Dr Mike Holmes FRCGP
Honorary Treasurer	Dr Steve Mowle FRCGP
Joint Honorary Secretary (Job Share)	Dr Jonathan Leach FRCGP Dr Victoria Tzortziou Brown FRCGP

Council Members

Dr Waqar Ahmed MRCGP - from 24 Nov 2018	Dr Ben Jackson FRCGP – until 23 Nov 2018
Dr Kirsty Alexander MRCGP	Prof Neil Jackson FRCGP
Dr Christiana Aride FRCGP – until 23 Nov 2018	Dr Christine Johnson FRCGP
Dr Saqib Anwar MRCGP- from 24 Nov 2018	Prof Vijay Kumar FRCGP – until 23 Nov 2018
Dr Ken Aswani FRCGP – from 22 Feb 2019	Dr Robert Lambourn FRCGP
Dr Kirsty Baldwin FRCGP -from 24 Nov 2018	Dr Sophie Lanaghan – until 23 Nov 2018
Dr Sunil Bhanot FRCGP – until 23 Nov 2018	Dr Alison Lea MRCGP
Dr Jodie Blackadder-Weinstein MRCGP	Dr Ashley Liston FRCGP- from 24 Nov 2018
Dr Stuart Blake MRCGP	Dr Carey Lunan MRCGP
Dr Susi Caesar FRCGP – from 24 Nov 2018	Prof Johnny Lyon-Maris MRCGP – from 24 Nov 2018
Dr John Chisholm CBE FRCGP	Dr Margaret McCartney MRCGP
Dr Rowena Christmas MRCGP – from 24 Nov 2018	Dr Elaine McNaughton FRCGP– until 23 Nov 2018
Dr John Cosgrove FRCGP	Dr Miles Mack FRCGP
Dr Frances Cranfield FRCGP	Prof Nigel Mathers FRCGP – from 24 Nov 2018
Prof Simon De Lusignan FRCGP– until Sept 2018	Dr Nishma Manek – until 23 Nov 2018
Dr Andrew Dharman MRCGP	Dr Helen Mead FRCGP – until 23 Nov 2018
Dr Jaspreet Dhillon MRCGP	Dr Iqbal Meeran MRCGP
Dr Grainne Doran FRCGP	Dr Ebrahim Mulla – from 24 Nov 2018
Dr Sioned Enlli MRCGP	Dr Kate Neden FRCP, FRCGP
Dr Alasdair Forbes FRCGP	Dr Karen O'Reilly FRCGP – from 24 Nov 2018
Dr Mark Free FRCGP	Dr Amit Paik – from 24 Nov 2018

Council Members

Dr Hussain Gandhi MRCP – from 24 Nov 2018	Dr Thomas Patel-Campbell MRCP – from 24 Nov 2018
Prof Clare Gerada MBE FRCPsych FRCP	Dr Dom Patterson FRCP
Prof Simon Gregory FRCP	Dr Rebecca Payne FRCP – until 21 Sept 2018
Dr Sunil Gupta FRCP	Dr Diarmuid Quinlan FRCP
Dr Janet Hall FRCP	Dr Bashir Qureshi FRCP
Dr Robert Hampton MRCP	Dr Joanne Reeve FRCP
Dr Holly Hardy FRCP	Dr Paul Ryan FRCP
Prof Kamila Hawthorne MBE FRCP	Dr David Shackles MRCP – from 24 Nov 2018
Dr Martyn Hewett FRCP	Brigadier Dr Robin Simpson FRCP
Dr Susanna Hill FRCP	Dr Narveshwar Sinha MRCP – from 24 Nov 2018
Dr Steve Holmes FRCP	Dr Andrew Spooner FRCP
Dr Mair Hopkin FRCP	Dr Sian Tucker MRCP
Dr Gary Howsam MRCP	Dr Mark Vaughan FRCP
Dr Colin Hunter OBE FRCP – until 23 Nov 2018	Dr Shamila Wanninayake MRCP – from 24 Nov 2018
Dr Greg Irving MRCP	Prof Veronica Wilkie FRCP

Council Observers

Mrs Jenny Aston	Dr Euan Lawson FRCP
Dr MeiLing Denney FRCP	Wing Commander Dr Dudley Graham
Dr Matt Hoghton MRCP	Prof Katherine O'Donnell FRCP (Hon)
Dr Imran Rafi MRCP – until 21 Sept 2018	
Dr Helena McKeown FRCP - until 22 Feb 2019	Dr Simon Poole – until 22 Feb 2019
Dr Chandra Kanneganti MRCP	Dr Robina Shah FRCP (Hon)
Dr Sanjiv Sinha (job-share)	
Prof Roger Jones FRCP	Colonel Prof Mike Smith FRCP

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	Mazars LLP Tower Bridge House London E1W 1DD
Investment Managers	Ruffer LLP 80 Victoria Street London SW1E 5JL

Report of the trustees

for the year ended 31 March 2019

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 2019.

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 2018 to 31 March 2019 and includes key areas of best practice as identified in the Charity Governance Code.

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	3 years
Vice-Chair	Prof Martin Marshall CBE FRCGP	3 years
Vice-Chair	Dr Michael Mulholland FRCGP	3 years
Vice-Chair	Dr Mike Holmes FRCGP	3 years
Honorary Secretary	Dr Jonathan Leach FRCGP Dr Victoria Tzortziou-Brown 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	3 years
Chair of RCGP Scotland	Dr Carey Lunan MRCP	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
Executive Director of Policy and Engagement	Mark Thomas
Executive Director of Professional Development and Standards	Fiona Erasmus – (until Sep 2018 – maternity leave) Chris Mirner – (appointed Sep 18)
Executive Director of Planning and Resources	Graham Masters – (until March 19) Harriet Jones (appointed April 19)
Managing Director of Enterprises and Conferences	Richard Brindley – (until Oct 18) Ben Clacy – (from Dec 18)
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 2018-19.</p>	<p>Oversees the adequacy of the risk and control systems</p>	<p>Trustee Board</p>	<p>12 Trustees Met five times in 2018-19</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 2018-19.</p>	<p>Oversees the financial management of the College</p>			
<p>Governance Committee Chair – Dr Jonathan Leach FRCGP (until 23 Nov 18) Dr Victoria Tzortziou-Brown (from 24 Nov 18) 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 2018-19.</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 – Malcolm Wright (until 19 Jan 19) Alan Wells (from 30 April 19) Three Trustees, one external member, one Council member, and an independent Chair. Met twice in 2018-19.</p>	<p>Approves the Executive Pay Policy</p>			
<p>Investment Committee Chair – Dr Steve Mowle FRCGP Three Trustees (including the Chair). Met twice in 2018-19.</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 component for 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

In 2018-19 the terms of the Chair, Dr Colin Hunter FRCGP, and of Edward Dove, a lay Trustee, ended. Professor Nigel Mathers FRCGP was appointed Chair by Council and Brendan Russell was appointed as a lay Trustee by the Trustee Board after open advertisement and interview.

In 2018-19 a robust and comprehensive Scheme of Delegation was implemented. The Scheme sets out in detail the role of the Trustee Board and the authority it delegates to its committees. The Scheme will be subject to annual review to ensure it remains fit for purpose.

A short life working group to examine the governance systems in the College and how to reduce complexity has been set up by the new Chair supported by four Trustees. This group will review effectiveness of both the Trustee Board, its committees and the wider advisory groups that are in place.

Prior to each Trustee Board a workshop is held for Trustees with a focus on training and continuous professional development. The topics have included the Charity Commission guidance on reporting serious incidents and an overview of finance for Trustees.

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 2018-19 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. An internal audit report by Mazars in March 2019 on risk management gave 'adequate assurance' due to key controls being in place. This provided assurance that our risk management process was robust, fit for

purpose and operating efficiently. Work on strengthening the risk processes further is underway in 2019-20 and will include a workshop with the Trustees to agree a risk appetite statement.

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 ongoing throughout 2018-19 and is due to complete in June 2019. This will mitigate the risk by ensuring there is adequate oversight of the cyber security defences in place across the different work streams.

- The potential effect of HS2 on 30 Euston Square

HS2 continues to pose significant challenges 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.

- The retention rate of membership especially amongst a younger demographic

Our Membership Experience Strategy was approved during 2018 which includes a new approach and refinement to member e-communication that is being embedded across the College. In addition, mechanisms ensuring a younger demographic are included in forums that provide insight for the College are in place and proving successful.

During 2018-19 the College has not been required to report an incident to the Information Commissioner's Office or the Charity Commission.

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 the strategy for 2021 and beyond.

Activities and achievements during 2018-19

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 year ended 31 March 2019 marked a time of change for general practice. Following a long period of underinvestment, the government and the NHS continued to make good headway in addressing the serious financial and workforce challenges primary care faces.

The College was instrumental in making this happen. This year our #backGP campaign helped influence a £4.5 billion annual funding boost for general practice in England, announced in the *NHS Long Term Plan*

(2019). We were equally delighted to see Northern Ireland receiving the single largest investment in general practice - £8.8m – since 2004.

Another key policy for general practice in England is the *General Practice Forward View (GPFV)*, which promised an extra £2.4 billion for primary care every year from 2016 to 2021. This year, for the second time, the College produced a comprehensive assessment looking at progress towards its 100+ commitments, based on data from our member survey and intelligence from members.

Our review highlighted that while the GPFV remains a much-needed lifeline for general practice, it must be radically overhauled to meet its transformational ambitions. Our assessment demands greater investment in primary care, restoring spending from 9% to 11% of the NHS budget, as it was in 2005. With 1,000 fewer GPs working in England than when GPFV launched in 2016 we are also calling for urgent expansion of the workforce to improve patient care and reduce pressure on remaining doctors.

The College's Clinical Innovation and Research Centre (CIRC) is dedicated to supporting practices to improve patient care and to delivering excellence in innovation, quality improvement and research, by setting policy and standards, developing training and education and bringing communities together for collaborative learning.

During the year we established a network of QI regional Champions across Scotland, Wales and Northern Ireland to raise awareness and improve understanding of quality improvement in primary care.

The College is committed to supporting fresh thinking and inspiring ideas that lead to new and better ways of working for GPs. In 2018/19 we developed and promoted innovations to improve the lives of our members and provide better services for patients.

In autumn 2018, we published our *General Practice at Scale: A cross organisational examination of quality and efficiency* report, which gives an insight into how six organisations working in collaboration are achieving quality, and aims to inspire other primary care professionals.

The RCGP General Practice at Scale Online Learning Network provides information and support for GPs who want to learn more about working in collaboration. This year the network grew: it now has 1,150 members and its bimonthly newsletters have above average engagement, with an open rate of more than 30%.

The College also held the General Practice at Scale National Summit in March 2019. This interactive event drew more than 100 attendees and explored the future of general practice, the NHS Long Term Plan, Partnership Review, and how Primary Care Network development impacts GPs and general practice. Co-chaired by Dr Jonathan Serjeant and Dr Vish Ratnasuriya, topics covered included team-based care, the move from practice-based to network-based care, and leadership.

The College continued to help our members keep pace with the digital revolution and use technology to enhance how they work this year.

We updated our Patient Online toolkit, which shows practices how best to provide online services and promote them confidently to patients. The toolkit gives practical guidance on how to help patients use their records to self-care, including booking appointments and ordering repeat prescriptions. In 2018/19, the toolkit's webinar drew 161 participants and 3,479 people listened to its podcast.

The College also highlighted the increasing importance of artificial intelligence (AI) in healthcare. In November 2018, we produced an introductory report, *Artificial Intelligence and Primary Care*, to inform GPs about the impact, benefits and risks of AI in primary care. The report was downloaded 678 times between November and March. We also held an AI roundtable that included senior representatives from the NHS, industry, academia, GPs and patients.

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, comprising the Applied Knowledge Test (AKT), Clinical Skills Assessment (CSA) and Workplace-Based Assessment (WPBA).

In 2018/19 the number of doctors taking the first two elements remained steady, with 4,204 sitting the AKT and 3,483 attempting the CSA. In total, we recommended 2,754 doctors to the General Medical Council for their Certificate of Completion of Training, enabling them to be added to the workforce.

An independent external review of the MRCGP concluded that our exams “meet or exceed the standards for procedures used for high stakes examinations in the medical profession” and “were fit for purpose and fair for both candidates and patients”. The review also made recommendations “in the spirit of continuous quality improvement”. This year the RCGP exams team reviewed these in consultation with a stakeholder group, and is working on an implementation strategy.

We also gave an exit questionnaire to CSA candidates in December 2018, looking at the differences in performance associated with the candidates' attributes and experience as well as exploring their expectations of success. We will publish results in 2019, which we hope will offer useful information to the educational community.

The College also continued to play an important role in designing and developing the tools used within the WPBA. This third component of the MRCGP provides a framework for evaluating a doctor's progress in areas of practice best tested in the workplace.

Annual Review of Competence Progression panels evaluate the evidence GP trainees collect in their ePortfolio as part of the WPBA. To make sure this process is of the highest standard, this year the College's team of external advisers visited each deanery across the UK to observe it, remotely reviewed over 3,000 ePortfolios, and were involved in appeals panels at deaneries' request.

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.

Our Essential Knowledge Update (EKU) programme updates members on healthcare developments crucial to their daily practice. The programme now offers 1,800 eLearning modules, bulletins, podcasts and screencasts and has over 71,000 users.

We welcomed 5,440 new users to our GP SelfTest learning needs assessment tool in 2018/19, which is free to College members. The tool supports members in training with exam revision and helps GPs with their self-appraisal, including those considering a return to general practice. New questions are added each month and planned technical improvements will improve functionality next year.

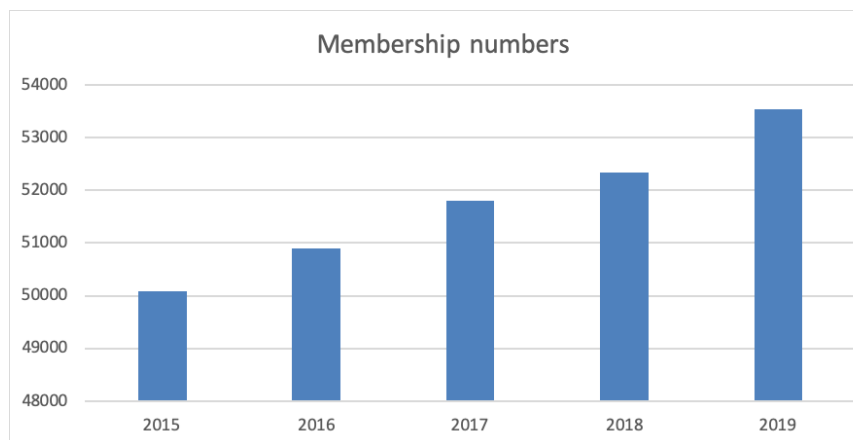
Conferences, seminars and courses are a chance for GPs to garner crucial knowledge, and a vital opportunity for networking and learning from peers.

The College put on more than 100 of these events this year, attracting over 5,000 delegates. They included the RCGP Annual Conference, the leading conference for UK GPs. Held in Glasgow, it attracted 1,310 delegates and featured sessions by science writer Dr Ben Goldacre and journalist Owen Jones.

We also held 12 '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 53,545 in 2018/19, including the highest ever number of GP trainees. This reflects the College's commitment to promoting the benefits of a career in general practice, and a high membership retention rate. We saw strong growth in international membership, as GPs working abroad increasingly sought to access services such as online learning and key College publications. We also welcomed an increase in GPs who were previously members returning to the RCGP.

Our new membership strategy was key in achieving these increases. Launched in July 2018, it focuses on retaining and engaging UK members by improving our services, developing our provision for international members, and better articulating our membership offer, including developing a user-friendly app version of our website.

Another vital part in our progress was restructuring our team into a new Membership and International Directorate to make us more efficient and to give members a better experience.

Thanks in part to the RCGP's efforts to highlight the benefits of working in general practice, 3,988 doctors entered general practice training in 2018 – a 9.4% increase compared to the year before, and an all-time high.

College initiatives to promote the profession included a 'Discover GP Virtual Reality Experience', a series of five videos launched in October 2018 to encourage medical students and foundation doctors to consider general practice for their career. The videos show the varied nature of life as a GP and challenge myths about the role. The Experience won a bronze award for 'Most Innovative Development' at the European Association Awards 2019 and has been nominated for a Memcom award for 'Best Student Engagement Initiative'.

The College also held seven Discover GP conferences in 2018, with more than 1,000 medical students registering to find out more about a career in general practice. 93% said the event had quite positively or really positively changed their perception of becoming a GP.

Promoting general practice to students was a strong theme at the RCGP Annual Conference too. More than a quarter of delegates were medical students and foundation doctors. Many attended the Inspiring the Future Awards, which lauded the best university GP societies, medical students and foundation doctors. The ceremony was the Conference's most popular social event, with 160 attendees.

Societies in medical schools play a pivotal role in encouraging students into general practice. The College worked with 31 student-led GP societies affiliated with our Society Partnership Scheme in 2018/19, up from 24 last year, offering them resources, training and networking opportunities.

To build on our efforts to inspire and engage the GPs of tomorrow, we also established our first Medical Student and Foundation Doctor Committee this year to guide our work with this group.

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.

Letting members know what their local faculties offer is vital so they can make the most of getting involved. This year, our faculties worked hard to increase their social media reach. In the first four months of 2019, English faculties' Twitter followers increased from 8,781 to 10,156.

We continue to work on helping good quality family medicine and primary healthcare make a huge impact on global health.

In 2018/19 we continued our 60-plus years of work across the world, from China to Colombia, educating doctors to improve health and lives

We were pleased to host 20 rural hospital CEOs from Zhejiang province in October 2018, helping them improve their skills so they can impart vital knowledge to others. We also welcomed 30 doctors from Tianjin in June 2018, giving them an overview of the RCGP's role and general practice in the UK.

Following these visits, a senior RCGP delegation visited Beijing, Shanghai, Hangzhou and Hong Kong to follow up market research we had done on potential opportunities and partnerships. We are now developing action plans for three new partnerships next year to improve general practice in the country. Our delegation also visited the Foreign and Commonwealth Office's Prosperity Fund in China, and we are planning to bid for major funding in 2019/20.

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.

Alongside influencing investment to pay for more primary care staff, the College worked on several other campaigns and initiatives this year to increase GP numbers:

We successfully fought to allow thousands more doctors from abroad to work in the UK. In June 2018, after several years of our campaigning, the Home Office excluded doctors and nurses from its cap on skilled worker visas. There is now no restriction on the numbers who can be employed through the so-called tier 2 visa route.

The College also supported family physicians from overseas to become accredited to work in the UK, with 17 gaining our Certificate of Eligibility for General Practice Registration. These included the first two doctors to go through our newly streamlined process for Australia, which we launched this year.

Other primary care professionals, such as pharmacists, working closely with GPs can be a great help in reducing workloads. This year we worked with key decision-makers to shape the scheme putting pharmacists in general practice, including looking at new ways of funding it.

Inequity in the way GP undergraduate training placements are funded compared to hospital placements is worsening the GP workforce crisis. In July 2018 the College wrote to the Health Secretary to call for GP practices to receive the same funding as hospitals for hosting medical students as part of their training. We asked for at least another £31 million a year to rectify the discrepancy, and to make sure high-quality placements are available to all students.

In May 2018 we published our Spotlight on the 10 High Impact Actions report, assessing progress towards the 10 commitments NHS England has made to cut workload in general practice. Among other insights, the report found that social prescribing – the practice of referring patients to non-medical care – was one of the most effective and beneficial of the 10 actions for both GP teams and patients. We circulated the report to decision-makers, and it will also provide useful evidence for our campaigning going forward.

Our ongoing work pushing for the introduction of a state-backed indemnity insurance scheme for GPs paid off this year, with launches in both England and Wales. We hope the schemes will help GPs with often crippling insurance costs, encouraging them to stay in general practice.

This year the College didn't just campaign on matters important to GPs' working lives – we also successfully pushed for change on a health issue we consider vital: stopping loneliness.

We know loneliness is widespread and has a significant adverse impact on health and wellbeing. In May 2018 we launched Tackling Loneliness: Community Action Plan manifestos in Scotland, England, Northern Ireland and Wales. These call for widespread public campaigns to raise awareness of loneliness and social isolation across society, and to encourage everyone to get involved in combatting this public health epidemic.

Our English manifesto recommended that every GP practice has access to a funded 'social prescriber' to help patients experiencing loneliness find the most appropriate support. We were delighted to see a commitment to rolling this out in the Government's loneliness strategy, launched in October 2018.

Future plans

The College will continue to focus on delivering the strategic objectives with some key priorities as follows:

Shape the future of General Practice

The College plans to introduce a number of initiatives to carry on championing innovation and new ways of working in primary care in 2019/20.

We are planning an Active Practice Charter to encourage and support GP surgeries to promote physical activity and healthier lifestyles among patients. To become certified, practices will be asked to make changes including assessing their own levels of physical activity and encouraging their patients to become more active. Practices that sign up can partner with organisations offering free or low-cost opportunities to get active, and will receive a newsletter showcasing examples of good practice by other GP teams.

A key development next year will be ensuring the delivery of the ambitions outlined in our milestone report, Fit for the Future: a Vision for General Practice, published in May 2019.

Ensure GP Education meets the changing needs of UK primary care

To make sure our continuing professional development (CPD) offer is high-quality, relevant and accessible, the College developed an ambitious new strategy this year.

While the CPD we offer is extensive and highly regarded, it is not always as co-ordinated as it should be. We also want to improve the navigation on our online platforms.

The strategy addresses these issues, and puts in place plans for next year and beyond to deliver a seamless digital experience and to work with faculties to better coordinate local and national CPD programmes. Feedback from members will underpin the strategy at each stage.

Next year we also plan to work with members and other stakeholders to redesign our quality assurance programme, Research Ready, which provides information, support and guidance to all UK GP practices participating in research.

2019/20 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 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.

Grow and support a strong, engaged membership

The College will continue to work on delivering its membership strategy, launched in July 2018. It focuses on retaining and engaging UK members by improving our services and better articulating our membership offer. In particular in 2019/20 we are developing a user-friendly app version of our website.

We will be launching a mentoring programme, matching experienced members with trainees or newly qualified GPs who want to develop and excel.

Our international work is expected to grow in the coming years, we are now developing action plans for three new partnerships to improve general practice in China.

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*, published in May 2019 and continue to work with Government to ensure that general practice is at the heart of the public policy debate.

In Scotland we will be publishing our *From the Frontline* report which will analyse the challenges and opportunities facing general practice and give our recommendations for improvements.

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 £43.7m (2018: £44.2m), while total resources expended increased to £45.7m (2018: £43.6m).

This year there were losses on the revaluation and disposal of investments of £0.2m (2016: gains of £0.6m). The actuarial gain on defined benefit pension scheme was £1.4m (2018: gain of £1.6m). The pension scheme deficit decreased to £5.9m (2018: £7.9m).

The funds balances at the year end are represented by unrestricted funds £48.6m (2018: £47.2m), restricted funds £4.0m (2018: £4.8m) and capital endowment funds £Nil (2018: £1.4m). These reserves are at a level which are deemed sufficient to support the going concern assumption although the College is keen to increase free reserves to allow it to mitigate its current risk profile.

The College has net current liabilities of £3.0m at year-end due to an increase in creditors and decrease in cash position. It is expected that this position will improve over the course of the coming year as the College seeks to improve the cash position through an improved operational net result.

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

Reserves policy

The Trustee Board has approved a reserves policy which targets that the general fund, (including designations but excluding pension scheme and fixed asset reserves) is maintained at between 3 to 6 months of operational expenditure (£11.4m - £22.8m) as a contingency against a shortfall in projected income.

The Trustees have reviewed the key risks, as outlined in **Risk Management** and where possible quantified these risks to assess an appropriate level of cover to be held to successfully mitigate against them.

The fund balances at year-end total £52.5m (2018: £53.3m), of which £4.0m (2018: £4.8m) are restricted, £Nil (2018: £1.4m) are endowed and the remaining £48.6m (2018: £47.2m) are general and unrestricted funds.

Unrestricted funds excluding designated funds show a net position of £0.9m. This is due to the £5.9m (2018: £7.9m) pension scheme deficit. This deficit is not an immediate liability and therefore is not included in the calculation used for general funds with regards to the reserves policy. As such 'free' funds total £6.8m.

Trustees have also included designated funds, excluding the fixed assets reserve, in the reserves policy. It is felt that this is reasonable as these funds could be utilised if the situation required the College to do so as the designations are not specifically committed but held for unbudgeted and unforeseen circumstances. These designated funds total £4.1m. As such, the total reserves in the calculation total £10.9m. The £10.9m is £0.5m below the targeted level of 3 to 6 months operational expenditure but the shortfall is not considered to expose the College to undue risk at this time. The college is undertaking a review to identify ways in which to increase surplus in coming years.

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. Trustees have reviewed cash flow projections for the next twelve months which demonstrate that the College has sufficient resources to meet its obligations as they fall due. Trustees have also received recommendations arising from an ongoing review for efficiencies and income maximisation opportunities by a short life working group which will improve operational financial results.

Subsidiary and related companies

Subsidiaries

The College has two subsidiary undertakings:

- RCGP Enterprises Limited – which manages commercial activity in 30 Euston Square
- RCGP Conferences Limited – which manages the annual conference

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.

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 a general fund, derived from an investment fund and 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 2019 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, through the Assistant Director Human Resources in respect of staff, 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. This will form the basis of a review of our existing safeguarding provisions and the main focus for 2019/20 will be how to reflect safeguarding as a culture and to use the expertise of our GPs to inform this 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 RCGP 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 bi-annual benchmarking to ensure our staff are paid in line with equivalent organisations.

Statement of trustees' responsibilities

The Trustees are responsible for preparing the Report of the Council 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

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. They were re-appointed as auditor during the year and have indicated their willingness to continue in office.

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 25 July 2019

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

Year to 31 March 2019

Opinion

We have audited the financial statements of the Royal College of General Practitioners for the year ended 31 March 2019 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 2019 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 17, 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

Crowe U.K. LLP

Statutory Auditor

London

Date 31st July 2019

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

Consolidated statement of financial activities

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total £'000	2018 £'000
Incoming resources						
Voluntary						
Donations		2	8	-	10	94
Charitable activities						
Project income		3,784	878	-	4,662	4,373
Examination fees		6,663	-	-	6,663	7,318
Membership income		19,773	-	-	19,773	19,358
Courses & events		2,216	-	-	2,216	2,778
Other income		796	52	-	848	775
Trading activities						
Trading income from subsidiaries		9,375	-	-	9,375	9,353
Investment income		69	39	-	108	125
Total incoming resources		42,678	977	-	43,655	44,174
Resources expended						
Cost of generating funds						
Fundraising costs		6	-	-	6	-
Trading expenditure		6,862	-	-	6,862	7,260
Investment management fees		2	127	-	129	140
		6,870	127	-	6,997	7,400
Charitable expenditure						
Future of general practice		4,410	264	-	4,674	4,396
GP education		10,963	352	-	11,315	10,753
Supporting membership		14,339	418	-	14,757	15,810
Voice of General Practice		7,835	158	-	7,993	5,236
		37,547	1,192	-	38,739	36,195
Total expenditure	21	44,417	1,319	-	45,736	43,595
Net (expenditure)/ income before gains		(1,739)	(342)	-	(2,081)	579
Net (losses)/gains on investments	26	(35)	(135)	-	(170)	642
Transfers between funds	32, 33, 34	1,713	(323)	(1,390)	-	-
Actuarial gains	36	1,474	-	-	1,474	1,636
Net movement in funds		1,413	(800)	(1,390)	(777)	2,857
Balances at 1st April 2018		47,160	4,767	1,390	53,317	50,460
Balances at 31st March 2019		48,573	3,967	-	52,540	53,317

Balance sheets

	Note	College 2019 £'000	College 2018 £'000	Group 2019 £'000	Group 2018 £'000
Fixed assets					
Tangible assets	25	71,585	70,750	71,585	70,750
Investments	26	10,693	10,668	10,693	10,668
		<u>82,278</u>	<u>81,418</u>	<u>82,278</u>	<u>81,418</u>
Current assets					
Stocks		27	23	62	51
Debtors	27	2,776	4,483	3,425	3,170
Short term deposits		831	5,543	831	5,543
Cash at bank and in hand	28	6,067	4,583	8,804	8,218
		<u>9,701</u>	<u>14,632</u>	<u>13,122</u>	<u>16,982</u>
Creditors:					
amounts falling due within one year	29	<u>(12,710)</u>	<u>(10,812)</u>	<u>(16,131)</u>	<u>(13,162)</u>
Net current (liabilities)/assets		(3,009)	3,820	(3,009)	3,820
Total assets less current liabilities		79,269	85,238	79,269	85,238
Creditors:					
amounts falling due after one year	30	<u>(20,797)</u>	<u>(23,997)</u>	<u>(20,797)</u>	<u>(23,997)</u>
Net assets excluding pension liability		58,472	61,241	58,472	61,241
Defined benefit pension scheme liability	36	<u>(5,932)</u>	<u>(7,924)</u>	<u>(5,932)</u>	<u>(7,924)</u>
Net assets including pension liability	35	<u>52,540</u>	<u>53,317</u>	<u>52,540</u>	<u>53,317</u>
Represented by:					
Unrestricted funds		6,848	8,932	6,848	8,932
Designated funds	32	47,657	46,152	47,657	46,152
Pension deficit	36	<u>(5,932)</u>	<u>(7,924)</u>	<u>(5,932)</u>	<u>(7,924)</u>
General funds		48,573	47,160	48,573	47,160
Restricted funds	33	<u>3,967</u>	<u>4,767</u>	<u>3,967</u>	<u>4,767</u>
		-	51,927	-	51,927
Capital funds	34	<u>-</u>	<u>1,390</u>	<u>-</u>	<u>1,390</u>
Funds		<u>52,540</u>	<u>53,317</u>	<u>52,540</u>	<u>53,317</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 25 July 2019

Consolidated cash flow statement

	2019	2018
	£'000	£'000
Cash flow statement		
Net cash inflow from operating activities	3,737	3,244
Returns on investments and servicing of finance:		
Interest received	33	40
Dividends received	75	85
Net cash inflow from returns on investments	<u>108</u>	<u>125</u>
Payments to acquire tangible fixed assets	(2,940)	(2,923)
Purchase of investments	(6,634)	(11,301)
Proceeds from disposal of investments	6,368	11,127
Net cash outflow from investing activities	<u>(3,206)</u>	<u>(3,097)</u>
Pension deficit repayments	(980)	(752)
Capital repayment of secured loan	(3,200)	(3,200)
Interest payable on secured loan	(668)	(753)
Revaluation of investment property	(224)	(67)
Interest rate swap liability	235	(656)
Net cash outflow from financing activities	<u>(4,837)</u>	<u>(5,428)</u>
Cash outflow before use of liquid resources	(4,198)	(5,156)
Decrease in short term deposits	4,712	649
Increase/(Decrease) in cash	<u><u>514</u></u>	<u><u>(4,507)</u></u>
Reconciliation of incoming resources to operational cashflow		
	2019	2018
	£'000	£'000
Net incoming resources	(2,251)	1,221
Adjustment for investments	393	(576)
Adjustment for pension	462	242
Depreciation	2,105	2,008
Interest payable on secured loan	668	753
Investment income and bank interest receivable	(108)	(125)
(Increase) / decrease in stock	(11)	69
(Increase) / decrease in debtors	(255)	931
Increase / (decrease) in creditors	2,734	(1,279)
Net cash inflow from operating activities	<u><u>3,737</u></u>	<u><u>3,244</u></u>

Reconciliation of movement in net debt	2019 £'000	2018 £'000	
Increase / (decrease) in cash	514	(4,508)	
Cash outflow from bank loan	3,200	3,200	
Movement in net debt in the period	<u>3,714</u>	<u>(1,308)</u>	
Net debt at 1 April 2018	<u>(18,398)</u>	<u>(17,090)</u>	
Net debt at 31 March 2019	<u>(14,684)</u>	<u>(18,398)</u>	
	2019 £'000	2018 £'000	Movement £'000
Analysis of net debt			
Cash held by investment managers (note 26)	508	581	(73)
Cash at bank and in hand (note 28)	<u>8,804</u>	<u>8,218</u>	586
	9,312	8,799	513
Bank loan due within one year (note 29)	(3,200)	(3,200)	-
Bank loan due after one year (note 30)	<u>(20,797)</u>	<u>(23,997)</u>	3,200
Net debt at 31 March 2019	<u>(14,685)</u>	<u>(18,398)</u>	3,713

Principal accounting policies

Year to 31 March 2019

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).

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) and the Companies Act 2006.

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.

The financial statements have been prepared on a going concern basis as the trustees consider that the College has sufficient resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt the ability of the College to continue as a going concern.

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 20. 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.

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 £0.3m 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.

Financial instruments (continued)

Other basic financial instruments held by the college include investments measured at fair value through statement of financial activities, total value £10.7m (2018: £10.7m). Financial assets held at amortised cost total £12.6m (2018: £16.8m) whilst financial liabilities at amortised cost total £30.9m (2018: £32.4m) including loan commitments of £24.0m.

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 36, 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 £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. 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.

Notes to the financial statements

Year to 31 March 2019

21. Expenditure

	Direct costs £'000	Grants made £'000	Support costs £'000	Total 2019 £'000	Total 2018 £'000
Cost of generating funds					
Fundraising costs	6	-	-	6	-
Commercial expenditure	6,862	-	-	6,862	7,260
Investment management	58	71	-	129	140
Charitable expenditure					
Future of general practice	3,074	-	1,600	4,674	4,396
GP education	6,915	-	4,400	11,315	10,753
Supporting membership	7,728	-	7,029	14,757	15,810
Voice of General Practice	5,650	-	2,343	7,993	5,236
Total	30,293	71	15,372	45,736	43,595

Support costs total £15.4m (2018: £15.1m) 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 £42k (2018: £42k) for audit fees.

	2019 £'000	2018 £'000
Support costs		
Finance & procurement	1,614	1,824
Property costs (including depreciation)	5,875	6,105
Faculty & devolved council support	1,988	1,733
IT costs	4,147	3,869
HR (including pension costs)	1,375	1,360
Governance	373	202
	15,372	15,093

22. Grants payable

During the year thirteen (2018: twelve) grants payable were from restricted funds to individuals totalling £71k (2018: £85k). These grants were made in accordance with the policy outlined in the Trustees report.

23. Employee information

	2019 £'000	2018 £'000
Wages and salaries	10,904	9,403
Social security costs	1,143	963
Childcare Vouchers	57	53
Group personal pension plan costs	1,344	1,142
	13,448	11,561

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

	2019	2018
Cost of generating funds, charitable activities and governance	270	248
Support function	47	45
Total	317	293

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

£60,001 - £70,000	14	-
£70,001 - £80,000	4	5
£80,001 - £90,000	5	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£130,001 - £140,000	-	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
£170,001 - £180,000	-	1
	27	11

During the year the College paid salaries, including Employer's NI and pension, totalling £832,860 (2018: £678,063) to key management personnel as listed on page 9. The increase in amounts paid is primarily due to the creation of a new Executive Director role responsible for Membership & International.

During the year the College made redundancy payments of £10k (2018: £213k) and there were no balances outstanding at year end (2018: £Nil).

Employer pension contributions totalling £182k (2018: £73k) were made in respect of twenty-seven employees (2018: eleven) 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 during the year (2018: none).

Expenses in the year were paid to 91 Trustees (2018: 78) and members of council and comprised the following:

	2019 £'000	2018 £'000
Locum fees	156	118
Travel and subsistence	192	39
	<u>348</u>	<u>157</u>

25. Tangible fixed assets

	Freehold properties	Furniture and equipment	Computer and network systems	Revalidation system and website	Total
Cost (£'000)					
At 1st April 2018	72,525	3,652	10,193	655	87,025
Additions	1,013	-	1,854	73	2,940
Disposals	-	-	(494)	(504)	(998)
At 31st March 2019	<u>73,538</u>	<u>3,652</u>	<u>11,553</u>	<u>224</u>	<u>88,967</u>
Depreciation (£'000)					
At 1st April 2018	6,345	3,174	6,101	655	16,275
Charge for the year	1,205	109	777	14	2,105
Disposals	-	-	(494)	(504)	(998)
At 31st March 2019	<u>7,550</u>	<u>3,283</u>	<u>6,384</u>	<u>165</u>	<u>17,382</u>
Net book values (£'000)					
At 31st March 2019	<u>65,988</u>	<u>369</u>	<u>5,169</u>	<u>59</u>	<u>71,585</u>
At 31st March 2018	<u>66,180</u>	<u>478</u>	<u>4,092</u>	-	<u>70,750</u>

Assets under construction costing £1.8m are included in Freehold properties and in Computer and network systems there is a total costing £2.1m.

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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Listed investments				
Market value at 1 April 2018	6,774	6,023	6,774	6,023
Additions at cost	6,634	11,302	6,634	11,302
Disposals at opening market value	(6,368)	(11,127)	(6,368)	(11,127)
Net unrealised investment gains / (losses)	(393)	576	(393)	576
Market value at 31 March 2019	6,647	6,774	6,647	6,774
Other investments				
Cash held by investment managers	508	581	508	581
Investment property	3,537	3,313	3,537	3,313
Total	10,692	10,668	10,692	10,668
	RCGP Enterprises Ltd		RCGP Conferences Ltd	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Turnover	8,798	8,574	2,282	2,280
Cost of sales	(5,658)	(5,936)	(1,469)	(1,491)
Gross profit	3,140	2,638	813	789
Administrative expenses	(111)	(106)	(184)	(288)
Operating profit	3,029	2,532	629	501
Gift aid to parent	(3,029)	(2,532)	(629)	(501)
Net profit for year	-	-	-	-
Assets	3,143	3,595	953	1,002
Liabilities	(3,143)	(3,595)	(953)	(1,002)
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 (2018:£1).

During the year RCGP Enterprises made sales of room hire and catering services totalling £1.6m (2018: £1.5m) to the College. At year-end there is a balance of £0.01m (2018: £1.5m owing to College) owing from College to the RCGP Enterprises Limited.

During the year RCGP Conferences made sales of publishing services totalling £0.02m (2018: £0.02m) to the College. At year end there is a balance of £0.7m (2018: £0.7m) owing from RCGP Conferences Limited to the College.

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	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade debtors	1,343	987	2,567	1,865
Other debtors	222	310	264	310
Accrued income	183	259	234	297
Amount due from RCGP Conferences Limited	672	698	-	-
Amount due from RCGP Enterprises Limited	-	1,531	-	-
Prepayments	356	698	360	698
	2,776	4,483	3,425	3,170

28. Cash at bank

	College		Group	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Current accounts	3,263	859	6,000	4,494
Faculties' current and deposit accounts	2,804	3,724	2,804	3,724
	6,067	4,583	8,804	8,218

29. Creditors

	College		Group	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Trade creditors	1,490	690	2,665	734
Income received in advance	3,482	2,731	5,373	4,488
Accruals	3,353	3,477	3,434	3,818
Taxation and social security	363	132	641	340
Barclays Loan due within one year	3,200	3,200	3,200	3,200
Other creditors	506	505	506	505
Amount due to RCGP Enterprises	4	-	-	-
Interest rate swap	312	77	312	77
	12,710	10,812	16,131	13,162

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 £0.3m.

Creditors (continued)

Reconciliation of deferred income	College		Group	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Balance brought forward	2,731	2,782	4,488	4,491
Released to SoFA	(2,731)	(2,782)	(4,488)	(4,491)
Deferred in year	3,482	2,731	5,373	4,488
Balance carried forward	3,482	2,731	5,373	4,488

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

	College		Group	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Bank loan due between 2 & 5 years	12,800	12,800	12,800	12,800
Bank Loan due after 5 years	7,997	11,197	7,997	11,197
	20,797	23,997	20,797	23,997

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%.

31. Operating leases

	College		Group	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Operating lease due within 1 year	6	64	6	64
Operating lease due with 2 & 5 years	-	-	-	-
	6	64	6	64

Operating leases relate to IT equipment and renewals are at the option of the lessee. The annual lease cost is £6k (2018: £64k)

32. General and designated funds

	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

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 comprise mainly of monies set aside to cover the expenses for specifically identified tasks and Scottish Council funded projects, these are expected to be spent over the next few years.

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 are expected to be spent over the next few years.

General and designated funds (continued)

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 are expected to be spent over the next few years.

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 are expected to be spent over the next few years.

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. The plan and expenditure against it is annually reviewed by the trustee board. It is anticipated this will be utilised over the lifespan of the new strategic plan, which will run until 2023.

Leadership Fund – This comprises monies set aside for development activities for key management personnel and the development of other employees. It is anticipated that this will be utilised over the next few years.

Capacity & Contingency Fund – This comprises monies to fund unbudgeted and necessary operational expenditure. It is accessed by approval from the Planning & Resources Committee. It is anticipated that the fund will be available for several years.

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 and it is expected it will be spent over the next strategic cycle, ending 2023.

33. Restricted funds

	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

Restricted funds (continued)

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

International travel scholarships – This is used to fund international travel scholarships. After a funds review in the year it was found £0.3m was incorrectly classified as restricted and as such has been transferred to unrestricted funds.

Library foundation and information service foundation – Established to provide library and information services to members.

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. Transfers were to ensure correct allocation of funds.

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. Endowment funds

	At 1 April 2018 £'000	Incoming resources £'000	Realised and unrealised gains £'000	Transfers and resources expended £'000	At 31 March 2019 £'000
Headquarters and General Endowment Fund	1,390	-	-	(1,390)	-

Following a review of funds it has been identified that the donations raised in relation to Princes Gate property were restricted, rather than endowed and on the basis that the purchase and improvements have been completed the restriction has been met. Additionally the property was subsequently sold in 2010. Accordingly, the funds have been released to unrestricted funds during the year.

35. 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

36. 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 2019 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 (2017: £0.8m), 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 2019, 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:

	2019 %	2018 %	2017 %	2016 %	2015 %
Rate of increase in salaries	2.45	2.30	2.40	2.10	2.10
LPI pension increases (based on RPI subject to a maximum of 5% p.a.)	3.45	3.30	3.40	3.10	3.10
Discount rate	2.45	2.60	2.50	3.70	3.40
RPI Inflation assumption	3.45	3.30	3.40	3.10	3.10
CPI Inflation assumption	2.45	2.30	2.40	2.10	2.10
Expected long-term rate of return on scheme assets	2.45	2.60	2.50	4.90	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 2019 by a qualified independent actuary (with comparative figures based on mortality assumptions used at previous year end)

	Value at 31 March 2019 £'000	%	Value at 31 March 2018 £'000	%
Equity and property	13,441	52	8,969	39
GARS & LDI Funds	12,407	48	13,798	60
Cash	-	-	230	1
		100		100
Total market value of assets	25,848		22,997	
Present Value of Scheme Liabilities	(31,780)		(30,921)	
Net Pension Liability	<u>(5,932)</u>		<u>(7,924)</u>	

Pension commitments (continued)

	2019 £'000	2018 £'000
Movement in deficit during year		
Deficit at 1 April 2018	(7,924)	(10,070)
Contributions	980	752
Other finance costs	(462)	(242)
Actuarial gain	1,474	1,636
Deficit at 31 March 2019	(5,932)	(7,924)
	2019 £'000	2018 £'000
Analysis of amount charged to Statement of Financial Activities		
Other finance cost	(462)	(242)
Total operating charge	(462)	(242)
Analysis of net return on pension scheme		
Expected return on pension scheme assets	606	555
Interest on pension liabilities	(1,068)	(797)
Net return	(462)	(242)
Actual return on Scheme assets	905	905
Amounts recognised as Pension Scheme gains and losses		
Actual return less expected return on pension scheme assets	1,802	350
Experience gains and losses arising on scheme liabilities	738	382
Change in financial and demographic assumptions underlying scheme assets	(1,066)	904
Actuarial (loss) recognised in the Statement of Financial Activities	1,474	1,636
	2019 £'000	2018 £'000
Cumulative amount of actuarial gains and losses recognised for the year ending 31 March 2019 are as follows:		
Cumulative actuarial (loss) at beginning of the period	(13,861)	(15,497)
Recognised during the period	1,474	1,636
Cumulative actuarial (loss) at end of the period	(12,387)	(13,861)
Movement in (deficit) during the year ending 31 March 2019 are as follows:		
(Deficit) in Scheme at the beginning of year	(7,924)	(10,070)
Expenses recognised in profit and loss	(462)	(242)
Contribution paid by the College	980	752
Actuarial gain	1,474	1,636
(Deficit) in Scheme at the end of the year	(5,932)	(7,924)

Pension commitments (continued)

Changes in the present values of the Scheme liabilities for the year ending 31 March 2019 are as follows:

Present value of Scheme liabilities at the beginning of period	30,921	32,056
Interest cost	799	797
GMP equalisation cost	269	-
Actuarial losses/(gains)	328	(1,286)
Benefits paid	(537)	(646)
	<u>31,780</u>	<u>30,921</u>
Present value of Scheme liabilities at end of period	31,780	30,921

Changes in the present values of the Scheme assets for the year ending 31 March 2019 are as follows:

Market Value of Scheme assets at the beginning of period	22,997	21,986
Expected return	606	555
Actuarial gains	1,802	350
Benefits paid	(537)	(646)
Contributions paid by the College	980	752
	<u>25,848</u>	<u>22,997</u>
Market value of Scheme assets at the end of period	25,848	22,997

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 £1.3m (2018: £1.1m) The pension contribution outstanding at 31 March 2019 was £0.1m (2018: £0.1m).

37. Prior year financial information

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total £'000
Incoming resources				
Voluntary				
Donations	64	30	-	94
Charitable activities				
Project income	3,246	1,127	-	4,373
Examination fees	7,318	-	-	7,318
Membership income	19,358	-	-	19,358
Courses & events	2,689	89	-	2,778
Other income	775	-	-	775
Trading activities				
Trading income from subsidiaries	9,353	-	-	9,353
Investment income	88	37	-	125
Total incoming resources	42,891	1,283	-	44,174
Resources expended				
Cost of generating funds				
Trading expenditure	7,260	-	-	7,260
Investment management fees	17	123	-	140
	7,277	123	-	7,400
Charitable expenditure				
Future of general practice	4,051	345	-	4,396
GP education	10,308	445	-	10,753
Supporting membership	15,507	303	-	15,810
Voice of General Practice	5,220	16	-	5,236
	35,086	1,109	-	36,195
Total expenditure	42,363	1,232	-	43,595
Net income/(expenditure) before gains	528	51	-	579
Net gains/(losses) on investments	704	(62)	-	642
Actuarial gains/(losses)	1,636	-	-	1,636
Net movement in funds	2,868	(11)	-	2,857
Balances at 1st April 2017	44,292	4,778	1,390	50,460
Balances at 31st March 2018	47,160	4,767	1,390	53,317

Prior year financial information (continued)

	At 1 April 2017 £'000	Income £'000	Expense £'000	Realised and unrealised gains/(loss) £'000	Transfers £'000	At 31 March 2018 £'000
Kuenssberg Prize	93	1	(1)	(1)	-	92
Other secretariat funds	66	-	(6)	-	-	60
International Travel Scholarship	310	7	34	(5)	-	346
Other international funds	207	121	(86)	(1)	-	241
Information Service Foundation	225	-	(4)	(5)	-	216
Library Foundation	116	-	(5)	(5)	-	106
OLE & educational	256	366	(436)	-	-	186
CIRC Projects	322	543	(338)	-	-	527
Scientific Foundation Board	2,421	22	(138)	(43)	-	2,262
Scottish Appeal Fund	272	6	(2)	(2)	-	274
Other Scottish Funds	114	190	(182)	-	-	122
Northern Ireland Funds	3	1	-	-	-	4
Welsh funds	73	26	(68)	-	-	31
Faculties funds	300	-	-	-	-	300
Total Restricted Funds	4,778	1,283	(1,232)	(62)	-	4,767

Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total 2018 £'000
Tangible fixed assets	69,360	-	1,390	70,750
Investments	7,557	3,111	-	10,668
Net current assets	2,164	1,656	-	3,820
Amounts falling due after one year	(23,997)	-	-	(23,997)
Net assets excluding pension liability	55,084	4,767	1,390	61,241
Pension liability	(7,924)	-	-	(7,924)
Net assets including pension liability	47,160	4,767	1,390	53,317

Prior year financial information (continued)

	At 1 April 2017 £'000	Income £'000	Expenditure £'000	Realised and unrealised gains/ (loss) £'000	Transfers £'000	At 31 March 2018 £'000
International	257	2	(20)	-	-	239
Other Policy and Communications	43	-	-	-	(42)	1
Education	224	33	(10)	-	-	247
Courses & Conference Development Fund	2	-	-	-	(2)	-
Special measures & other projects	166	475	(461)	-	(17)	163
CIRC Projects	1,684	1,241	(1,484)	-	-	1,441
Scottish Council Funds	116	-	-	-	-	116
Northern Ireland Council Funds	10	-	-	-	-	10
RCGP Wales Development Fund	12	-	(4)	-	-	8
Faculties Central Designated Funds	165	-	-	-	(145)	20
Employment legal protection	5	-	(5)	-	-	-
HR and Payroll systems	11	-	-	-	(11)	-
Fixed Assets Designated Fund	39,438	-	-	-	2,132	41,570
Strategic Development Fund	503	-	(255)	-	368	616
Leadership fund	224	-	(41)	-	-	183
Business development fund	-	-	-	-	500	500
Contingency & Capacity Fund	1,180	-	(142)	-	-	1,038
Total Designated Funds	44,040	1,751	(2,422)	-	2,783	46,152
General funds	10,322	41,140	(39,699)	(48)	(2,783)	8,932
Pension funds	(10,070)	-	(242)	2,388	-	(7,924)
Total Unrestricted funds	44,292	42,891	(42,363)	2,340	-	47,160