

Report of Council and Financial Statements

30 June 2017



REPORT OF COUNCIL

Council submits its annual report together with financial statements of the College for the year ended 30 June 2017.

LEGAL & ADMINISTRATIVE DETAILS OF THE CHARITY, TRUSTEES & ADVISORS

The College Council consists of 24 members elected by fellows and members of the College, and co-opted members, as required. The 24 elected members of Council are the Trustees of the College.

President

Dr L J Brennan, Cambridge

Vice-Presidents

Dr J A Langton, Yelverton; Professor R P Mahajan, Alfreton

Council Members

Consultants

(Elected for a term of six years with eligibility for re-election for a further term of four years)

Professor J R Sneyd, Liskeard; Dr A M Batchelor, Newcastle Upon Tyne; Dr J R Colvin, Newport-on-Tay; Dr N W Penfold, Diss; Dr E J Fazackerley, Lymm; Dr S J Fletcher, Norwich; Professor M G Mythen, London; Dr W Harrop-Griffiths, Roehampton; Dr J Pandit, Buckingham; Professor M P Grocott, New Milton; Dr E P O'Sullivan, Booterstown, Republic of Ireland; Dr D Bogod, Nottingham; Dr K Ramachandran, Birmingham; Dr F Donald, Bristol; Professor J Hall, Cardiff; Dr C Carey, Haywards Heath; Dr R Perkins, Sale

Staff and Associate Specialists (SAS)

(Elected for a term of six years with eligibility for re-election for a further term of four years)

Dr K May, Banbury; Dr L Williams, Chippenham

Trainees

(Elected for a term of four years)

Dr J-P Lomas, Manchester; Dr J Cheung, Mitcham

Co-opted

Dean, Faculty of Pain Medicine

Dean, Faculty of Intensive Care Medicine

Chair, Advisory Board for Northern Ireland

Chair, Advisory Board for Wales

President, Association of Anaesthetists of Great Britain and Ireland

Chair, Lay Committee

Clinical Directors Lead

Observer

Clinical Quality Advisor

Directors

Mr T Grinyer, Chief Executive

Ms Sharon Drake, Deputy Chief Executive & Director of Clinical Quality & Research (Previously Mr C McLaughlan)

Mr R Ampofo, Director of Education, Training & Examinations

Mr M Blaney, Finance & Resources Director

Ms K Stillman, Director of Communications & External Affairs

Mr A Woods, Technology Strategy Programme Director

Professional Advisors

External Audit

Crowe Clark Whitehill LLP

St Bride's House

10 Salisbury Square

London

EC4Y 8EH

Solicitors

EMW LLP

1st Floor

90 Chancery Lane

London

WC2A 1EU

Bankers

Royal Bank of Scotland

1st Floor Houblon House

62-63 Threadneedle Street

London

EC2R 8HP

Investment Managers

Newton Investment Management Ltd

BNY Mellon Centre

160 Queen Victoria Street

London

EC4V 4LA

CCLA

Senator House

85 Queen Victoria Street

London

EC4V 4ET

Sarasin LLP

Juxon House

100 St Paul's Churchyard

London

EC4M 8BU

Registered Office Address

Churchill House

35 Red Lion Square

London

WC1R 4SG

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Royal College of Anaesthetists (RCoA) was constituted by Royal Charter in March 1992. The registered Charity Number is 1013887. The College was also registered in January 2006 with the Office of the Scottish Charity Regulator. The registered Charity Number is SCO37737.

- **Appointment of Trustees**

Trustees are appointed by election from the fellows, members and trainees of the College in accordance with Ordinance 5.2 of the College's Charter and Ordinances. The election process is managed by the Electoral Reform Society.

- **Election to Council**

The following changes in Council membership took place on 7 March 2017:

Elected: Professor J Hall, Cardiff; Dr C Carey, Haywards Heath; Dr R Perkins, Sale; Dr J Cheung, Mitcham
 Re-elected: None
 Demitted: Dr R J Marks, London; Dr J P Nolan, Bath; Dr G Collee, London; Dr P Kumar, Sutton Coldfield

- **Principal College Committees**

The College Council meets 11 times a year to discuss and approve recommendations by the various committees which the Council has established, these include:

| | | |
|--------------------------|-----------|--------------------|
| Audit & Internal Affairs | Education | Examinations |
| Finance | Lay | Quality Management |
| Professional Standards | Training | |

- **College Faculties**

Faculty of Pain Medicine Faculty of Intensive Care Medicine

- **Induction and appraisal of Trustees**

The College has an annual induction process for new Trustees. Training is offered to senior trustees in medical leadership and media skills. The President also invites all Trustees for an annual performance appraisal.

- **Delegation to Chief Executive**

The Council delegates the responsibility for the administration of the College to the Chief Executive.

- **Risk statement**

The Trustees of the College are responsible for ensuring that procedures are in place to identify risks that the organisation may be exposed to. The Audit & Internal Affairs Committee monitors the College's control systems and accounting procedures.

The College's Risk Register sets out the most significant risks classified by Reputation, Organisation and Finance. Each risk within the classification is detailed and scored against a matrix of impact and likelihood. Plans are then put in place to monitor, manage and mitigate these risks.

Reputational risks include non-compliance with the regulatory environment, the failure of key stakeholder relations and the potential for poor communications with membership.

Organisational risks include business continuity including the loss of IT and property or turnover of key staff.

Financial risks identified include loss of financial resource, a loss of income through a decline in membership and increasing costs in part due to pressures on NHS budgets.

- **Governance Review**

The College has been undertaking a governance review during 2016-17 that will continue into the early part of 2017-18. The intention is to present further recommendations to the Annual General Meeting in May 2018 that modernise the overarching governance structures of the College. In the meantime this review has already improved internal control by the formulation of a scheme of delegation, as well as initiating a revised reporting structure of Boards and Committees to support the College Council.

- **Statement of Trustees' Responsibilities**

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

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

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

- select suitable accounting policies and then apply them consistently
- comply with the Charity Statement of Recognised Practice (SORP)
- make judgments and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity and the group will continue to operate

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005 and Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the College's Royal Charter and Ordinances. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

- **Staff & Remuneration Policies**

The College sets competitive salaries for the charity sector to attract and retain and develop the best people for each role to enable delivery of the College Strategy 2016-2021 and the charitable objectives. During 2016-17 the College undertook a full external pay review which included staff consultation. New pay scales have been implemented from December 2016 with all staff employed prior to December 2016 transferring to the new pay scales in July 2017. Remuneration is based upon seven pay bands which start at the median salary for an employee working for a medium sized membership charity focusing on education and health based in Central London. Each pay band has five increments with a range of approximately 25%. Each staff member has had their role job evaluated to ensure that they are paid appropriately for their skills, experience and competence. The pay bands will be uplifted annually based upon labour market movements for the sector evidenced by an external body. The Finance Committee also sets the salary for the Chief Executive based upon an assessment of their performance and with due regard to the external market. No member of staff is paid below the London living wage. The College convenes and consults an Employee Forum on staffing matters.

OBJECTS AND PUBLIC BENEFIT

• Summary

The objects set out in the College's Royal Charter bestow the rights that it is the body responsible for ensuring the highest quality of anaesthetic practice in the UK.

Its principal aims and ongoing objectives are to ensure patient care through the maintenance of standards in anaesthesia, critical care and pain medicine, by specifically focusing on:

- the setting of standards for practice in anaesthesia, establishing the standard of anaesthetists and those practising critical care and pain medicine by setting and running examinations and delivering continued medical education in all areas of anaesthesia, critical care and pain medicine
- educating and informing the general public about anaesthesia
- delivering its charitable objectives across the four countries of the UK
- ensuring that its guidelines remain clear and relevant
- retaining a strong influence in the decision-making arena for health care in the UK, particularly anaesthesia, critical care and pain medicine
- monitoring, reviewing and improving where required all assessment procedures to ensure that they remain fit for purpose

• Public Benefit

The Trustees have due regard to the Charity Commission guidance on public benefit. The College delivers public benefit in the following ways:

- The NHS requires hospital doctors to be trained to be specialists in all areas of medicine. This training typically takes seven years during which time the doctors have to be assessed annually as competent to progress to the next level. The College sets the UK training curricula for anaesthesia, intensive care and pain medicine, which are approved by the General Medical Council (GMC). The College inputs into the competitive selection of doctors to these curricula, ensures that every hospital that has doctors in training has a designated College Tutor who provides support and guidance, oversees the assessment criteria and maintains records of training so that recommendations are made to the GMC for competent trained doctors to be included on the Specialist Register
- Consultants are required to practise to high professional medical standards. The GMC sets the generic medical standards with the College, and other specialist societies, setting the specialty specific standards
- The public require information relating to anaesthesia, critical care and pain medicine. The College, by bringing together lay and medical people, produces such information in the form of patient information leaflets which are available to the public. General Practitioners and hospitals are also encouraged to use these leaflets for their patients. No charge is made for these

REVIEW OF ACTIVITY & PERFORMANCE

In May 2016 the College approved a strategy that sets the vision and mission that will take the College to 2021. Activity and performance is reported by directorates and faculties, which were aligned to the strategic themes.

The number of Non Fee and Fee paying activities undertaken during the year were:

| Non Fee paying activities | 2017 | 2016 |
|---|--------------|-------------|
| Certificate of Completion of Training issued | 464 | 403 |
| Advisory Appointments attended | 299 | 323 |
| Fee paying activities | | |
| Examination candidates | 3,863 | 3,595 |
| Courses & Conferences delegates | 4,985 | 5,115 |
| Equivalence applications | 35 | 41 |
| FPM event delegates and examination candidates | 381 | 418 |
| FICM event delegates and examination candidates | 697 | 575 |
| RCoA International Programme applications | 74 | 51 |
| ACSA Members | 16 | 13 |
| Invited Review Visits | 3 | 5 |

The College could not provide its functions without the services of its volunteers to carry out the above activities. The number of volunteers were:

| Volunteers | 2017 | 2016 |
|---|--------------|-------------|
| Council Members | 24 | 24 |
| Examiners | 226 | 229 |
| Regional and Deputy Regional Advisers | 111 | 104 |
| College and Faculty Tutors [†] | 711 | 322 |
| College Assessors | 377 | 336 |
| Lecturers | 906 | 607 |
| ACSA Reviewers | 84 | 86 |
| Total | 2,439 | 1,768 |

• Clinical Quality & Research

We set out in 2016-17 to raise the profile of the Anaesthesia Clinical Services Accreditation (ACSA) scheme through engagement with individual anaesthetic departments and recognition of ACSA at national level through collaborative work with the Care Quality Commission (CQC) and the Healthcare Quality Improvement Partnership (HQIP). Promoting the scheme through two regional events, increased publicity and engagement with individual departments has resulted in increased participation (16 hospital departments accredited with 13 pending - June 2017). The College has become a member of the HQIP's Sponsor Group, which supports the delivery of national clinical services accreditation and the College has continued to engage with CQC including inviting them to observe an ACSA visit.

The College has previously committed to develop chapters of its Guidelines for the Provision of Anaesthetic Services (GPAS), which underpins ACSA utilising the NICE process for guideline development. This continues to run to the publication timeframe and full implementation of the NICE process is expected by 2019. We have also appointed a GPAS Editor who will take up the post in September 2017.

[†]2017 figure contains both Faculty and College Tutors, 2016 College only.

Our plan to review the Safe Anaesthesia Liaison Group (SALG) has started but was not completed by year end. SALG holds a national patient safety conference, which this year took place in Edinburgh; it was well received and included a visit from the College patron, Her Royal Highness the Princess Royal.

The College wanted to future proof the Invited Review scheme to ensure it was in line with the Academy of Medical Royal Colleges' (AoMRC) framework and continue to support the work of the Advisory Appointment Committees (AAC). To this end a full review was undertaken this year, resulting in improved guidance in line with the AoMRC framework, and a new fee structure. We also reviewed the AAC application and training processes to encourage applications and ensure robust support to interview panels appointing consultants.

The College aimed to develop the Perioperative Medicine (POM) programme including the recruitment of Local Perioperative Medicine Leads and establishing a multi-disciplinary Perioperative Medicine Advisory Board (PMAB). With 175 leads recruited, our first ever national POM Leads Day took place in January 2017, with a separate event held in Scotland in June 2017. We are planning a further national two-day event in January 2018. The first PMAB met in March 2017, with a total of 27 organisations represented across the perioperative spectrum.

A national survey of the POM Local Leads was conducted to identify examples of good practice and determine support required. The results were published in the peer-reviewed *Anaesthesia* journal. The College's own perioperative medicine microsite encourages the sharing and disseminating of POM resources developed by the Local Leads.

We have also maintained our engagement with national POM-related initiatives such as 'Choosing Wisely', 'Right Care' and 'Getting it Right First Time'.

With the Perioperative Quality Improvement Programme (PQIP), the College has developed perioperative medicine training days, films and podcasts with our own YouTube channel and the PQIP Podcast.

The College ratified a five-year strategy for the Health Services Research Centre (HSRC) which includes developing a future strategy for the National Audit Projects (NAP) and Sprint National Audit Projects (SNAP) and in collaboration with the National Institute of Academic Anaesthesia (NIAA) has:

- recruited over 200 investigators within six months for the UK Perioperative Medicine Clinical Trials Network (POMCTN) and launched the UK Chief Investigator recruitment scheme for POMCTN
- delivered two successful grant rounds (in conjunction with specialist societies) and successfully recruited and inducted the new NIAA Grants Officer

The Patient, Carer and Public Involvement & Engagement Working Group, now four years old, continues to strengthen grant applications by including a patient perspective on research proposals before submission and has embarked on a pilot project with the National Institute for Health Research (NIHR).

We have committed to expand and review the College's national programme of clinical audit through continuing to lead and deliver the National Emergency Laparotomy Audit (NELA) on behalf of the HQIP. In year, a retender bid for NELA was submitted (in July 2017 it was announced that the College was successful in its bid and was awarded a three-year contract extension), whilst the team also launched a series of quality improvement guidance animations and successfully recruited to key medical leadership positions on the project team.

In addition the College:

- published SNAP-1 results in the *British Journal of Anaesthesia*. The project received a significant level of engagement from UK anaesthetists with 2,700 collaborators across 254 sites and over 22,600 patient records and 10,200 clinician perception case records collected
- completed the data completion stage of the sixth NAP on perioperative anaphylaxis. The project team is now analysing the 16,000 activity survey responses from UK anaesthetists
- ran the second SNAP - Epidemiology of Critical Care Services in March 2017

The inaugural RCoA/NIHR Research Awards were presented by Her Royal Highness the Princess Royal at the College's Annual Meeting.

• **Education, Training & Examinations**

The year was the first step in the journey of delivering the strategy by bringing together all of College's the functions to support the professional development needs of the membership into a coherent and structured way. The Education, Training & Examination directorate brings together examinations, assessment, policy and standards for the professional development of all anaesthetists both in the UK and overseas.

The College develops and reviews the curriculum and training standards to ensure that they are fit-for-purpose in training anaesthetists to meet the needs of patients and the NHS. This year we also developed guidance that makes recommendations to enhance anaesthetic and perioperative content of the undergraduate curriculum in medicine. The project has developed a draft framework for foundation and undergraduate trainees to develop an interest in anaesthesia and to help ensure consistent fill rates for core and higher specialty training.

Maintaining a comprehensive understanding of the workforce the College advocates for:

- sufficient supply of trainees to meet future demand
- statutory regulation of the PA(A) workforce through work with Health Education England. To this end the College established in year a voluntary register to better understand their number and scope of practice

We have sought to engage more effectively with SAS Doctors and celebrate their achievements and role. A report was developed based on a survey to explore workforce challenges and better understand the issues that matter to SAS anaesthetists, including better support for professional development; encouragement to apply for leadership posts and ensuring adequate support for revalidation. This report will be shared with stakeholders so that with the College we can develop action plans to support these doctors.

Changes to the CCT curriculum in anaesthetics to include new units of training for perioperative medicine were approved by the GMC and communicated to the training community. The implementation of the changes and new units will be reviewed and monitored over time.

The College supports anaesthetists throughout their career from consideration of a career in medicine to retirement. Our pre-eminent examinations are quality assured and are recognised for their fairness and high standard. Our examinations constantly evolve to meet the GMC standards for curricula and assessment, whilst also ensuring they reflect best educational and assessment practice and the latest developments.

The following table shows examination performance at the College:

| Exam | 2017 Attempts | 2017 Pass Rate % | 2016 Attempts | 2016 Pass Rate % |
|-------------------------------------|----------------------|-------------------------|----------------------|-------------------------|
| College - Primary MCQ | 1,135 | 55.7% | 1,141 | 50.0% |
| College - Primary OSCE / SOE | 1,024 | 59.9% | 971 | 60.3% |
| College - Final Written (SAQ / MCQ) | 858 | 66.2% | 861 | 45.8% |
| College – Final SOE | 763 | 65.4% | 533 | 68.6% |
| FICM – FFICM Final MCQ | 156 | 85.9% | 155 | 89.7% |
| FICM – Final OSCE / SOE | 183 | 63.4% | 175 | 65.7% |
| FPM – FFPMRCA MCQ | 31 | 80.7% | 32 | 74.2% |
| FPM – FFPMRCA SOE | 32 | 59.4% | 28 | 64.9% |

All College examiners are highly trained, regularly updated on best practice, including examination specific equality and diversity training, and their practice is continually quality assured. During the year, the College reviewed the examination processes and examiners to ensure they remain compliant with the Equality Act and the College's Public Sector Equality Duty. We added two new eLearning sessions to the initial session training examiners on protected characteristics, unconscious bias and reasonable adjustments. Completion of these three modules form part of the annual mandatory training for all examiners. We have also developed Equality & Diversity specific guidance and information for actors, role players and invigilators involved in the delivery of our examinations.

In May, the College was proud to host our largest diplomates ceremony in Westminster Hall. The event was attended by 332 diplomates. Streamed live to the internet, the ceremony included guest speaker Dr Jennifer Warren, an anaesthetist in training who is also a Paralympic gold medallist, who shared her inspirational progress through adversity.

The College's Education programme consists of over 100 workshop and lecture-based events, supporting anaesthetists throughout their career. These are delivered by high profile national and international speakers. The events continue to grow year on year, both in size and number. The College maintains a comprehensive offer of educational events, eLearning and opportunities to enhance the professional development and careers of the members and is increasingly taking these events out to the regions, such as in May this year where the College's Summer Symposium was held in Belfast.

Our award winning e-Learning Anaesthesia (e-LA) learning resource celebrated 10 years in operation in 2017. E-LA is a collaboration between the College and e-Learning for Health and has provided a comprehensive learning and support tool for trainees attempting examination. Further updates to e-LA have been made to ensure ease of navigation and full alignment and mapping to the curriculum.

The speciality of anaesthesia is renowned for delivering high-quality training through an enthusiastic network of fellows and members, who hold specific educational roles and are supported by the College. These include Regional Advisers Anaesthesia, College Tutors, Head of Schools, Trainees, Supervisors and Clinical Directors. This year we reviewed the role of the Regional Adviser Anaesthesia to strengthen the voice of the specialty in the regions and to widen the focus to provide advice, guidance and leadership across all College functions in the regions.

The College Tutors meeting maintained its roots in training, assessment and the supporting of trainers with discussions on the future of medical education, an update from the GMC and key talking points on human factors, workforce and fatigue.

The College supports The Lancet Commission on Global Surgery report which found that over 5 billion people lack access to safe and affordable surgical and anaesthetic care, and that a further 2.2 million anaesthetists, surgeons and obstetricians will be required worldwide to satisfy this demand. To meet this challenge the College has developed a strategy to work in partnership and collaboration with organisations to improve global healthcare provision and anaesthetic standards. This year we hosted a delegation from Hong Kong to take forward a collaboration to develop their examination, training and assessment systems.

- **Communications & External Affairs**

This directorate was created in 2016-17 and has commenced a two year development programme, laying the foundations for delivery of the College's strategic vision in this area. Prior to 2016-17 communications work of this directorate was carried out by respective directorates independently of each other. To harmonise and co-ordinate this work and ensure an optimal level of professionalism a new directorate was created.

The new directorate is comprised of four main functions: Communications; Membership Engagement; Policy & Public Affairs and the President's Office. No function within the directorate, excluding the President's Office, is over two years old. Both the Policy & Public Affairs and Membership Engagement functions were newly created in year, with the Membership Engagement team subsuming the existing Membership Team.

To raise the profile of anaesthesia, the College launched and embedded a new brand, representing the College as a modern, forward-looking organisation reflecting the vital, supportive and collaborative role which it plays for members, patients and healthcare in general. As part of this, the College redesigned the membership's bi-monthly magazine *The Bulletin*, which has been well received by members.

To develop a consistent and compelling narrative across all RCoA's activities and strengthen the position of the College as the expert anaesthesia body with key stakeholders, we undertook a wide-ranging communications audit. This comprised of an internal communications audit; an external public awareness survey; and a survey of the College's patient information work. The results of these different elements of the communication audit will help give a baseline for the work of the communications function, and also inform the development of the communications strategy next year.

The Patient Information Group, revised the 'for patients and carers' pages section of the website, and undertook work reviewing the patient information leaflets to raise the public profile and understanding of anaesthesia, pain medicine and intensive care.

The level of communications output in terms of external media coverage also increased, with some notable national media coverage, including the President being interviewed on BBC2's *Newsnight* and an article in the *Guardian*. As well as this raising the profile of anaesthesia, it helped position the College as a key stakeholder which influences decision-making through having an increased national media profile.

We undertook the College's first-ever membership survey, with over 5,000 of the membership responding. Over 1,700 of these respondents then agreed to participate in a membership engagement panel. This panel has already been surveyed on educational events. The initial survey and the panel will shape future College thinking and developments.

Work has started on the development of a new undergraduate and Foundation Year doctor membership category to support those considering anaesthetic careers as well as a piece of work on wider membership engagement with the College, that will inform the College's first ever Membership Engagement Strategy, currently in development.

With regard to Policy and Public Affairs, in April 2017, in the run up to the last general election, the College for the first time published its policy manifesto document, consisting of seven priorities for the next government which we believe could offer a 'New Deal' for the NHS.

The College also responded to various inquiries, including the House of Commons Health Committee report on the impact of Brexit on health and social care, and a response to the House of Lords Select Committee on the Long-Term Sustainability of the NHS. The first in a planned suite of College policy briefings on Strategic Transformation Plans (STP) was also finalised. The briefing on STPs summarised our position on the issue and provided further analysis and recommendations.

- **Faculty of Pain Medicine (FPM)**

FPM celebrated and publicised its 10th anniversary through its website, social media channels and with a themed edition of the newsletter *Transmitter*. There has been much to celebrate, but also much still to do, including taking forward work on opening up pain medicine training and membership to non-anaesthetic specialists and improving this for in-patient pain medicine consultants. A buddying programme for training was launched and the first 'buddies' have been 'connected up'.

Core Standards for Pain Management Services was well received by the community and we have been able to help with a number of local discussions between pain services and commissioners. We launched a gap analysis tool to allow services to self-assess against the key standards and to provide data on local services. The Faculty published a series of patient leaflets for interventions and commissioned work on some further leaflets for medications. We also initiated a review of the Opioids Aware online resource and began working with the BMA on related guidance for practitioners.

Essential Pain Management (EPM) has gone from strength to strength, working with international colleagues to improve the validation of the courses such as for EPM Global works in Benin, Kenya, Nigeria and Uganda. EPM UK, the work in medical schools and hospitals, has now been piloted in several more schools, which was used as the basis of for the Faculty's response to the Medical Licensing Assessment consultation.

FPM ran a successful educational programme in this year with improvements and developments from the clinical leads, including a dynamic multi-professional day focused on acute pain management. The Pain in Secure Environments course was extended to Scotland with very positive reviews. The process of revisiting e-PAIN content began whilst also working with e-LFH to promote it.

- **Faculty of Intensive Care Medicine (FICM)**

FICM took forward a series of projects related to workforce, running a further census and regional engagements, creating a report resource for the information gathered from these. This then informed the writing of *Critical Futures*, a project looking at the immediate requirements for critical care in the next five to 10 years. The Women in ICM (WICM) initiative was launched and received very positive feedback and engagement. Another round of national recruitment was held in 2017, with significant augmentations following a comprehensive review based upon feedback received.

We ran a set of successful conferences and produced the structure and initial content for e-ICM, an e-learning platform for intensive care medicine, gathering a high quality army of authors. The Faculty's e-Portfolio system was improved where possible following feedback from users. A number of projects for Advanced Critical Care Practitioners were taken forward, including engagement with Health Education England, a specification for providers and CPD advice. A second Quality Report was published, in a new and improved format, covering the 2016 year and building in all available faculty resources including the FICM trainee survey and the Regional Advisor network.

We co-convened a writing group to develop a position statement on the management of perceived devastating brain injury after hospital admission. The Legal and Ethical Policy Unit also initiated a piece of work on developing the role of the mediator in resolving local disputes. We collaborated with the Intensive Care Society to put forward the view of the specialty on the application of deprivation of liberty in a legal case for critical care. The intervention was well received by the judge and the resulting outcome was positive for the members.

There was work undertaken via the Smaller Units Advisory Group, on the impact of policy on rural, remote and small units. In liaison with NHS England, we agreed to host the National Adult Critical Care Data Group to take forward recommendations on the collection of audit data across the specialty.

In addition to those planned activities, FICM created a critical incident reporting resource on the website, to share lessons from the community. The Training, Assessment and Quality Committee worked with trainee representatives to produce guidance to reduce the assessment burden.

FINANCIAL REVIEW

The College's results for the year are shown in the Statement of Financial Activities. Incoming resources of £13,600k were in line with expectations and expenditure of £13,528k was maintained within budget. The surplus of £72k is in line with the proposed budget for the year which was to break even whilst implementing the new College Strategy and its objects whilst also creating a reserve required by Trustees as defined in the College's Reserves Policy.

- **Trading Activities**

These activities have been carried out by the College's subsidiary RCoA Trading Limited. All profits, £491,070 (2015: £326,543), of this company are paid to the College through gift aid payment. There have been no significant changes in the activities that the Trading Company undertake in year.

- **Reserves**

Policy

The College approved a new Reserves Policy in 2016, that sets a target of three months of the College's annual unrestricted expenditure.

This policy has been set mindful of the identified financial risks, the sources of income and the fixed asset investments and liquid assets held.

In terms of income the College now recognises subscription income over the period of membership and therefore has deferred subscription income received in 2016-17 of £2,603k (2016: £2,528k).

Surpluses generated in subsequent years will be used to accrue reserves in line with current policy, with the College working towards this target over the coming years.

Methodology

The College holds significant tangible fixed assets but these are not included within reserves as disposal of them could impact on the College's ability to deliver its charitable objectives.

Reserves are unrestricted general funds which are represented by fixed asset investments and net current assets (note 14).

Level of Reserves

The level of reserves at 30 June 2017 was £431k.

- **Investment policy and performance**

The College's investment policy is to maintain a balance between income and capital growth with medium risk with the provision that there should be no direct investment in tobacco related companies. The College's investments are held in pooled equity funds invested in Newton, CCLA, Sarasin and Mayfair Capital. The total return for the year to 30 June 2017 compares satisfactorily with other types of investments.

PLANS FOR FUTURE PERIODS

In achieving the strategic vision and charitable goals of the College as laid out in the College Charter and the College Strategy, the College plans to:

- conclude the review of College governance at the 2018 AGM to ensure that the College is well governed
 - complete a review of membership fees
 - implement technology as developed by the College's technology strategy programme around the website, life learning platforms, unified communications and internal systems
 - implement plans to monetise the estate.
- **Clinical Quality & Research**
 - promote the benefits of the College's accreditation scheme ACSA for all UK health organisations including the devolved nations
 - roll-out the NICE process for all remaining GPAS chapters
 - review the governance of SALG to ensure maintain its position as the main point of contact across the UK for all safety issues related to anaesthetic practice
 - support initiatives in Perioperative Medicine including the National Confidential Enquiry on Perioperative Deaths on the perioperative management of patients with diabetes and the 'Getting It Right First Time' initiative whilst also delivering regional events, quality improvement workshops and undertaking a qualitative review of PQIP
 - establish a Quality Faculty to support local quality improvement
 - investigate the perceived drop in applications for Academic Clinical Fellow and Academic Clinical Lecturer posts in Anaesthesia across the UK
 - analyse and publish of the data from NAP6 and SNAP-2

- **Examination, Training & Education**

- Develop for launch in September 2018, a computer based testing model for examinations, moving from paper and pencil testing to a model that is both more intuitive to the current candidate base, aligns study processes to exams and provides greater opportunity to hold exams overseas
- develop a new e-portfolio, logbook and CPD platform for College members following a comprehensive tendering process and developing this platform through working with clinicians for full launch in 2019-20
- reposition the Anaesthetics CCT curriculum following the GMC and AoMRC consultation on a new framework for generic professional capabilities that will introduce a new outcomes based approach to the curriculum and the GMC review of the standards for Curricula and Assessment

- **Communication & External Affairs**

- develop a Communications Strategy informed by the recently completed communications audit
- develop a Membership Engagement Strategy
- develop a Policy & Public Affairs Strategy

- **Faculty of Pain Medicine (FPM)**

- develop non-anaesthetic and in-patient pain medicine membership
- review the pain curriculum in light of new GMC guidance
- develop national outcome measures for pain services
- undertake a gap analysis to inform the next version of the Core Standards for Pain Management Service
- quality review regional training and assessment processes
- promote EPM UK to the Medical Schools Council by providing a detailed report for the Medical Schools Council on EPM UK

- **Faculty of Intensive Care Medicine (FICM)**

- launching Critical Futures
- develop a series of initiatives relating to End of Life care
- review the intensive care curriculum in light of substantial GMC framework changes
- redevelop the e-Portfolio and roll out the remaining modules for e-ICM
- develop a careers resource for all Faculty members
- produce the second iteration of GPICS
- collaborate on the development of a competency framework for Allied Health Professionals

By order of the Trustees



Tom Grinyer
Chief Executive

18 October 2017

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE ROYAL COLLEGE OF ANAESTHETISTS

Opinion

We have audited the financial statements of The Royal College of Anaesthetists for the year ended 30 June 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Statement of Cash Flows and the 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 the charity's affairs as at 30 June 2017 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

This report is made solely to the charity's trustees, as a body, in accordance with section 154 of the Charities Act 2011 and section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 charitable company 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 charitable company'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, except to the extent otherwise explicitly stated in our report, 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 Act 2011 or the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the Report of Council is inconsistent in any material respect with the financial statements; or
- sufficient 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 statement of trustees' responsibilities set out on page 4, 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 charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.



Crowe Clark Whitehill LLP
Statutory Auditor
London

25 October 2017

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2017

| Note | Unrestricted Funds £000's | Endowed Funds £000's | Restricted Funds £000's | Total Funds 2017 £000's | Total Funds 2016 £000's |
|--|---------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|
| Income From: | | | | | |
| Charitable Activities | | | | | |
| | 4,497 | 0 | 0 | 4,497 | 4,326 |
| | 1,759 | 0 | 0 | 1,759 | 1,610 |
| | 1,023 | 0 | 0 | 1,023 | 1,214 |
| | 574 | 0 | 0 | 574 | 561 |
| | 182 | 0 | 0 | 182 | 124 |
| | 214 | 0 | 0 | 214 | 233 |
| | 766 | 0 | 0 | 766 | 685 |
| | 755 | 0 | 0 | 755 | 622 |
| | 5 | 0 | 0 | 5 | 2 |
| | 3,303 | 0 | 0 | 3,303 | 2,476 |
| 3 | 202 | 0 | 265 | 467 | 338 |
| | 53 | 0 | 2 | 55 | 81 |
| Total | 13,333 | 0 | 267 | 13,600 | 12,272 |
| Expenditure on: | | | | | |
| Charitable Activities | | | | | |
| | 2,135 | 0 | 0 | 2,135 | 1,475 |
| | 1,595 | 0 | 0 | 1,595 | 1,441 |
| | 4,852 | 0 | 50 | 4,902 | 4,823 |
| | 460 | 0 | 0 | 460 | 363 |
| | 788 | 0 | 0 | 788 | 547 |
| | 755 | 0 | 140 | 895 | 984 |
| | 2,753 | 0 | 0 | 2,753 | 2,078 |
| 5 | 13,338 | 0 | 190 | 13,528 | 11,711 |
| | (5) | 0 | 77 | 72 | 561 |
| | 389 | 471 | 30 | 890 | 503 |
| | 384 | 471 | 107 | 962 | 1,064 |
| 6 | 22,906 | 5,530 | 784 | 29,220 | 28,156 |
| Total Funds Carried Forward at 30 June 2017 | 23,290 | 6,001 | 891 | 30,182 | 29,220 |

The notes on pages 19-33 form part of these financial statements. All amounts relate to continuing activities.

CONSOLIDATED AND COLLEGE BALANCE SHEETS AS AT 30 JUNE 2017

| | Note | CONSOLIDATED | | COLLEGE | |
|-------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2017 £000's | 2016 £000's | 2017 £000's | 2016 £000's |
| Fixed Assets: | | | | | |
| Tangible Assets | 7 | 18,173 | 18,388 | 18,173 | 18,388 |
| Intangible Fixed Assets | 8 | 186 | 39 | 186 | 39 |
| Investments | 9 | 10,400 | 9,510 | 10,400 | 9,510 |
| | | 28,759 | 27,937 | 28,759 | 27,937 |
| Current Assets: | | | | | |
| Stocks | | 11 | 16 | 11 | 16 |
| Debtors | 10 | 1,085 | 990 | 568 | 564 |
| Money Market Deposits | | 4,389 | 3,627 | 4,389 | 3,627 |
| Cash at Bank | | 1,365 | 2,528 | 911 | 1,440 |
| Total Current Assets | | 6,850 | 7,161 | 5,879 | 5,647 |
| Liabilities: | | | | | |
| Amounts Falling Due Within One Year | 11 | 5,354 | 5,707 | 4,383 | 4,193 |
| Net Current Assets | | 1,496 | 1,454 | 1,496 | 1,454 |
| Provision for Liabilities & Charges | 19 | 73 | 171 | 73 | 171 |
| Net Assets | | 30,182 | 29,220 | 30,182 | 29,220 |
| The Funds of the Charity: | | | | | |
| Endowment Funds | 16 | 6,001 | 5,530 | 6,001 | 5,530 |
| Restricted Income Funds | 17 | 891 | 784 | 891 | 784 |
| Unrestricted – General Funds | | 18,790 | 18,732 | 18,790 | 18,732 |
| Unrestricted – Designated Funds | 15 | 4,500 | 4,174 | 4,500 | 4,174 |
| Total Charity Funds | | 30,182 | 29,220 | 30,182 | 29,220 |

Approved by Council and authorised for issue on 18 October 2017 and signed on their behalf by:

Dr L J Brennan  President & Joint Treasurer

Dr E J Fazackerley  Chairman of the Finance Committee & Treasurer

The notes on pages 19-33 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017

| | 2017 £000's | 2016 £000's |
|--|----------------|----------------|
| Net Cash Provided by / (used in) Operating Activities (Note 1 below) | (665) | 527 |
| Net Cash Provided by / (used in) Investing Activities (Note 2 below) | (498) | (193) |
| Endowed Funds / Legacies Received | 0 | 0 |
| Management of Liquid Resources | 0 | 0 |
| Increase in Cash & Cash Equivalents (note 3 below) | (1,163) | 334 |
| Cash & Cash Equivalents at 30 June 2016 | 2,528 | 2,194 |
| Cash & Cash Equivalents at 30 June 2017 | 1,365 | 2,528 |

Notes to the Statement of Cash flows

1. Reconciliation of Net Income / (Expenditure) to Net Cash Flow from Operating Activities

| | 2017 £000s | 2016 £000s |
|--|---------------|---------------|
| Net income / (expenditure) for the Reporting Period | 74 | 561 |
| Adjustments for: | | |
| Depreciation Charges | 270 | 240 |
| Dividends, Interest & rents from Investments | (467) | (338) |
| Income to Endowment Funds | 0 | 0 |
| (Increase) / Decrease in Stocks | 5 | 3 |
| (Increase) / Decrease in Debtors | (95) | (623) |
| Increase / (Decrease) in Creditors | (354) | 684 |
| Increase / (Decrease) in Long Term Creditors | (98) | 0 |
| Net Cash Provided by (used in) Operating Activities | (665) | 527 |

2. Net Cash Provided by/ (used in) Investing Activities

| | 2017 £000's | 2016 £000's |
|---|----------------|----------------|
| Purchase of Property, Plant & Equipment | (203) | (93) |
| Proceeds from the Sale of Property, Plant & Equipment | 0 | 2 |
| Purchase of Money Market Investments | (762) | 60 |
| Purchase of Fixed Asset Investments | 0 | (500) |
| Dividends, interest & rents from investments | 467 | 338 |
| Total of Net Cash Provided by (used in) Investing Activities | (498) | (193) |

3. Analysis of Cash and Cash Equivalents

| | 2017 £000's | 2016 £000's | Change in Year |
|--|----------------|----------------|-------------------|
| Total Cash & Cash Equivalents | 1,365 | 2,528 | (1,163) |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

1. CHARITY INFORMATION

The Royal College of Anaesthetists (RCoA) was constituted by Royal Charter in March 1992 and is a public benefit entity. The registered Charity Number is 1013887 and the registered Charity in Scotland Number is SC037737. The address of the registered office is Churchill House, 35 Red Lion Square, London WC1R 4SG.

2. ACCOUNTING POLICIES

• Basis of preparation and consolidation

The financial statements have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies for financial periods commencing after 01 January 2015.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

After making enquiries, the Trustees have a reasonable expectation that the College has adequate resources to continue its activities for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the Financial Statements as outlined in the Statement of Trustees' Responsibilities.

The financial statements of the College and its' wholly owned trading subsidiary RCOA Trading Ltd are consolidated, on a line by line basis. The charity has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Cash Flow Statement and certain disclosures about the charity's financial instruments.

Excluding the Trading Company, the College's results were a surplus of £72k (2016: £561k) and its total income was £10,846k (2016: £10,193k).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

• Critical Accounting Judgements and areas of estimation uncertainty

In the application of the College's accounting policies Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainties affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

- **Incoming resources**

Subscription income is recognised on a straight line basis over the related periods of membership. Income from Examinations and Courses and Conferences is recognised in the period in which the events take place. Interest accruing on money market and other deposits is recognised on an accruals basis over the period of the deposit. Project and Research Grant funding and other income is recognised in the period when any related conditions have been met and the group can demonstrate entitlement to the income, the amounts can be measured reliably and it is more likely than not that the economic benefits will flow to the charity. Income from projects provided under contract is recognised in line with service delivery.

- **Resources expended**

Expenditure is recognised on an accruals basis in the period in which the College receives the benefit from the supplies or services. The College maintains full records of costs of each department so as to allocate expenditure between functions. Relevant overheads have been apportioned, as required by the SORP and detailed in Note 5, within the College's direct charitable expenditure; this provides a fair comparison between income received for a particular activity and its related expenditure.

- **Fixed Asset Investments**

Fixed asset investments are included in the balance sheet at their fair values (market value) at the balance sheet date. Gains and losses on investments are recognised in the Statement of Financial Activities.

- **Tangible Fixed Assets**

Tangible fixed assets costing more than £10,000 are capitalised and are held at cost less accumulated depreciation and any impairment provisions.

- **Intangible Fixed Assets**

Intangible fixed assets costing more than £10,000 are capitalised and are held at cost less amortisation and any impairment provisions.

- **Depreciation**

Depreciation is charged on a straight line basis over the following periods as stated:

- freehold building – 100 years
- plant and machinery – 20 years
- furniture, fixtures and fittings – 4 years
- computer equipment – 3 years.
- Freehold land is not depreciated

Silver and paintings and other collectibles are not depreciated as the Trustees consider that there is no impairment. The College, on a triennial basis, has its Silver, Paintings etc. independently valued for insurance purposes. The College does not hold any Heritage Assets.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. Any impairment loss is recognised immediately in the Statement of Financial Activities. The trustees are satisfied that there has been no such impairment in the current year.

- **Stocks**

Stocks comprising college wares and bar & wine are held. These are both stated at the lower of cost and net realisable value.

- **Financial Instruments**

The College has financial assets and liabilities of a kind that qualify as basic financial instruments. These instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Finance assets held at amortised cost comprise cash and bank at hand, money market deposits, subscription and other debtors and accrued income. Financial liabilities held at amortised cost include trade and other creditors and accrued expenses.

- **Pension Costs**

The College participates in the Superannuation Arrangements of the University of London ('SAUL'), a multi-employer pension scheme. Provision is made for the estimated present value of deficit contributions agreed with the trustee as payable in future periods to this scheme. All other contributions to this scheme are accounted for as expenditure in the period in which the contributions become payable.

- **Funds Structure**

The College funds structure is classified under three headings being Unrestricted (General and Designated), Endowed and Restricted. Details of the Designated, Endowed and Restricted funds are given in Notes 15, 16 and 17.

Unrestricted funds are available for the general purposes of the College. Designated funds are unrestricted funds set aside by the Trustees for specific purposes. Restricted funds are income received by the College for particular purposes. Endowed funds are capital received by the College the income from which is available for particular purposes. All the Endowed funds are permanent. The income earned from the endowment funds is included within the restricted funds.

3. INVESTMENT INCOME

| | Unrestricted Funds £000's | Restricted Funds £000's | 2017 £000's | 2016 £000's |
|--------------------------------|---------------------------------|-------------------------------|----------------|----------------|
| Investment dividends | 186 | 264 | 450 | 306 |
| Money Market Deposit Interest | 16 | 1 | 17 | 32 |
| Total Investment Income | 202 | 265 | 467 | 338 |

4. GOVERNANCE COSTS

| | 2017 £000's | 2016 £000's |
|----------------------------------|----------------|----------------|
| Allocation of Staff Costs | 134 | 105 |
| Legal Costs | 3 | 10 |
| External Audit fees | 24 | 30 |
| Annual Report | 2 | 1 |
| Allocation of Trustees' Expenses | 19 | 10 |
| Total Governance Costs | 182 | 156 |

Governance costs are now contained within the unrestricted expenditure on the Statement of Financial Activities and not shown separately.

4A. RELATED PARTY TRANSACTIONS

The Trustees received no remuneration in the current or previous year. **£223,941** (2016: £194,127) of travel and subsistence expenditure was incurred by 24 Trustees (2016: 24 Trustees).

During this reporting period related party transactions occurred between the College and the British Journal of Anaesthesia (BJA). The President of the College is a Director of the BJA and a Vice-President was the Editor of BJA Education. The BJA publishes the BJA, BJA Education and the College Bulletin which it distributed to the fellows and members of the College. The College paid £607,932 for these publications. The College also received income of £26,287 for the provision of administrative support to the BJA Education Board and other services.

5. TOTAL RESOURCES EXPENDED

| | Staff Costs £000s | Other Costs £000's | Support Costs £000's | Total Costs 2017 £000's | Total Costs 2016 £000's |
|------------------------------------|-------------------------|--------------------------|----------------------------|-------------------------------|----------------------------------|
| Communications & External Affairs | 682 | 851 | 602 | 2,135 | 1,642 |
| Clinical Quality & Research | 712 | 414 | 469 | 1,595 | 1,436 |
| Education, Training & Examinations | 1,307 | 1,715 | 1,830 | 4,852 | 4,612 |
| Faculty of Pain Medicine | 151 | 103 | 206 | 460 | 379 |
| Faculty of Intensive Care Medicine | 234 | 263 | 291 | 788 | 545 |
| Project Costs and Research Grants | 117 | 638 | 0 | 755 | 855 |
| Trading subsidiary expenditure | 0 | 2,753 | 0 | 2,753 | 2,078 |
| Support costs | 1,081 | 2,317 | (3,398) | 0 | 0 |
| Total resources expended | 4,284 | 9,054 | 0 | 13,338 | 11,547 |

Analysis of support costs

| | Charitable Activities £000's | Staffing Basis £000's | Square meterage £000's | IT Usage £000's | Allocated expenditure £000's |
|--|------------------------------------|-----------------------------|------------------------------|-----------------------|------------------------------------|
| Allocation of support costs by: | | | | | |
| Communications & External Affairs | 286 | 97 | 71 | 148 | 602 |
| Clinical Quality & Research | 78 | 101 | 130 | 160 | 469 |
| Education, Training & Examinations | 290 | 197 | 978 | 365 | 1,830 |
| Faculty of Pain Medicine | 29 | 13 | 136 | 28 | 206 |
| Faculty of Intensive Care Medicine | 74 | 41 | 136 | 40 | 291 |
| Total Allocated Expenditure | 757 | 449 | 1,451 | 741 | 3,398 |

Support costs comprise the department costs and overheads that support the College's charitable activities.

The total cost of employing all staff during the year was:

| | 2017 | 2016 |
|-----------------------|--------------|--------|
| | £000's | £000's |
| Salaries and wages | 3,480 | 3,290 |
| Social security costs | 393 | 311 |
| Pension contributions | 411 | 584 |
| | 4,284 | 4,185 |

Number of employees whose emoluments were above £60,000 :

| | 2017 | 2016 |
|----------------------|----------|------|
| £130,000 to £139,999 | 1 | 0 |
| £120,000 to £129,999 | 0 | 2 |
| £100,000 to £109,999 | 1 | 1 |
| £70,000 to £79,999 | 2 | 2 |
| £60,000 to £69,999 | 2 | 2 |

The remuneration of the Directors, being the key management was £604k (2016: £671k)

Headcount of the average number of employees by function was:

| | 2017 | 2016 |
|------------------------------------|-----------|------|
| Communications & External Affairs | 14 | 11 |
| CQD & Research | 16 | 12 |
| Education, Training & Examinations | 33 | 33 |
| Faculty of Pain Medicine | 2 | 2 |
| Faculty of Intensive Care Medicine | 6 | 5 |
| Other Departments | 23 | 27 |
| | 94 | 90 |

6. STATEMENT OF FINANCIAL ACTIVITIES - FULL PRIOR YEAR COMPARISON

| | Unrestricted Funds £000's | Endowed Funds £000's | Restricted Funds £000's | Total Funds 2016 £000's |
|--|---------------------------------|----------------------------|-------------------------------|-------------------------------|
| Income From: | | | | |
| Charitable Activities | | | | |
| Subscriptions (excludes faculties & trainees) | 4,326 | 0 | 0 | 4,326 |
| Examination Fees | 1,610 | 0 | 0 | 1,610 |
| Courses and Conferences Fees | 1,214 | 0 | 0 | 1,214 |
| Other Education, Training & Examination Income | 561 | 0 | 0 | 561 |
| Clinical Quality & Research | 124 | 0 | 0 | 124 |
| Faculty of Pain Medicine | 233 | 0 | 0 | 233 |
| Faculty of Intensive Care Medicine | 685 | 0 | 0 | 685 |
| Project Income | 622 | 0 | 0 | 622 |
| Donations & Legacies | 2 | 0 | 0 | 2 |
| Trading Activities | 2,476 | 0 | 0 | 2,476 |
| Investments | 161 | 0 | 177 | 338 |
| Other | 78 | 0 | 3 | 81 |
| Total | 12,092 | 0 | 180 | 12,272 |
| Expenditure on: | | | | |
| Charitable Activities | | | | |
| Communications & External Affairs | 1,642 | 0 | 0 | 1,642 |
| Clinical Quality & Research | 1,436 | 0 | 35 | 1,471 |
| Education, Training & Examinations | 4,612 | 0 | 0 | 4,612 |
| Faculty of Pain Medicine | 379 | 0 | 0 | 379 |
| Faculty of Intensive Care Medicine | 545 | 0 | 0 | 545 |
| Project Costs & Research Grants | 855 | 0 | 129 | 984 |
| Trading Activities | 2,078 | 0 | 0 | 2,078 |
| Total | 11,547 | 0 | 164 | 11,711 |
| Net Operating Surplus / (Deficit) | 545 | 0 | 16 | 561 |
| Gains / (Losses) on Investments | 35 | 439 | 29 | 503 |
| Net Movement In Funds | 580 | 439 | 45 | 1,064 |
| Total Funds Brought Forward 01 July 2015 | 23,326 | 5,091 | 739 | 28,156 |
| Total Funds Carried Forward at 30 June 2016 | 22,906 | 5,530 | 784 | 29,220 |

7. FIXED ASSETS: TANGIBLE ASSETS - CONSOLIDATED & COLLEGE

| | Freehold Land & Buildings £000's | Computer Equipment £000's | Fixtures & Fittings £000's | Plant & Equipment £000's | Silver & Paintings £000's | Total £000's |
|---------------------------------|---|---------------------------------|----------------------------------|--------------------------------|---------------------------------|-----------------|
| Cost | | | | | | |
| At 1 July 2016 | 18,708 | 234 | 237 | 1,728 | 25 | 20,932 |
| Additions | 0 | 0 | 23 | 0 | 0 | 23 |
| Disposals | 0 | (17) | 0 | 0 | 0 | (17) |
| At 30 June 2017 | 18,708 | 217 | 260 | 1,728 | 25 | 21,012 |
| Accumulated Depreciation | | | | | | |
| At 1 July 2016 | 1,298 | 199 | 230 | 817 | 0 | 2,545 |
| Charge for Year | 134 | 13 | 2 | 89 | 0 | 237 |
| Disposals | 0 | (17) | 0 | 0 | 0 | (17) |
| At 30 June 2017 | 1,432 | 195 | 232 | 906 | 0 | 2,765 |
| Net book value | | | | | | |
| At 30 June 2017 | 17,276 | 22 | 28 | 822 | 25 | 18,173 |
| At 30 June 2016 | 17,410 | 35 | 8 | 910 | 25 | 18,388 |

The historical costs of the Freehold Land are as follows:

35 Red Lion Square: £4,250,000

34 Red Lion Square £1,150,000

8. INTANGIBLE FIXED ASSETS – CONSOLIDATED & COLLEGE

| | Software £000's | Total £000's |
|------------------------|--------------------|-----------------|
| Cost | | |
| At 1 July 2016 | 74 | 74 |
| Additions | 180 | 180 |
| Disposals | 0 | 0 |
| At 30 June 2017 | 254 | 254 |
| Amortisation | | |
| At 1 July 2016 | 35 | 35 |
| Charge for Year | 33 | 33 |
| Disposals | 0 | 0 |
| At 30 June 2017 | 68 | 68 |
| Net book value | | |
| At 30 June 2017 | 186 | 186 |
| At 30 June 2016 | 39 | 39 |

9. FIXED ASSET INVESTMENTS – CONSOLIDATED & COLLEGE

| | 2017 £000's | 2016 £000's |
|---------------------------------|----------------|----------------|
| Opening Market Value | 9,510 | 8,507 |
| Additions at Cost | 0 | 500 |
| Net Investment Gains / (Losses) | 890 | 503 |
| Closing market value | 10,400 | 9,510 |

These College investments are held by four investment managers. Three are held in charitable mixed pool investment products that invest in equities, fixed interest, property and other investment classes. The fourth investment is made in a charitable property fund.

10. DEBTORS

| | Consolidated | | College | |
|--|----------------|----------------|----------------|----------------|
| | 2017 £000's | 2016 £000's | 2017 £000's | 2016 £000's |
| Other Debtors | 748 | 710 | 198 | 247 |
| Taxes & Social Security Costs | 13 | 35 | 13 | 35 |
| Prepayments & Accrued Income | 324 | 245 | 320 | 245 |
| Gift Aid due from RCOA Trading Limited | 0 | 0 | 37 | 37 |
| Total Debtors | 1,085 | 990 | 568 | 564 |

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Consolidated | | College | |
|---|----------------|----------------|----------------|----------------|
| | 2017 £000's | 2016 £000's | 2017 £000's | 2016 £000's |
| Trade Creditors | 187 | 153 | 168 | 87 |
| Other Creditors | 6 | 6 | 6 | 5 |
| Deferred Income | 4,239 | 4,837 | 3,373 | 3,462 |
| Accrued Expenses | 738 | 594 | 722 | 522 |
| Taxes & Social Security Costs | 184 | 117 | 114 | 117 |
| Total Creditors | 5,354 | 5,707 | 4,383 | 4,193 |
| Deferred Income Reconciliation | | | | |
| Opening Balance | 4,836 | 4,106 | 3,461 | 3,250 |
| Released to the Statement of Financial Activities | (5,059) | (4,243) | (3,684) | (3,386) |
| Income Deferred in Year | 4,462 | 4,974 | 3,596 | 3,598 |
| Total Deferred Income | 4,239 | 4,837 | 3,373 | 3,462 |

12. OPERATING LEASES – CONSOLIDATED & COLLEGE INCOME

| | 2017 £000's | 2016 £000's |
|--|----------------|----------------|
| Amounts Due within One Year | 132 | 77 |
| Amounts Due within Two to Five Years | 42 | 0 |
| Amounts Due over Five Years | 0 | 0 |
| Total Future Minimum Operating Lease Income | 174 | 77 |

13. OPERATING LEASES – CONSOLIDATED & COLLEGE EXPENDITURE

| | 2017 £000's | 2016 £000's |
|---|----------------|----------------|
| Amounts Payable within One Year | 10 | 8 |
| Amounts Payable within Two to Five Years | 1 | 5 |
| Amounts Payable over Five Years | 0 | 0 |
| Total Future Minimum Operating Lease Expenditure | 11 | 13 |

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 30 June 2017 are represented by:

| | Tangible Fixed Assets £000's | Fixed Asset Investment s £000's | Net Current Assets £000's | Total £000's |
|----------------------------------|------------------------------------|---------------------------------------|---------------------------------|-----------------|
| Endowed | 0 | 6,001 | 0 | 6,001 |
| Restricted | 0 | 324 | 567 | 891 |
| Unrestricted – Designated | 0 | 4,075 | 425 | 4,500 |
| Unrestricted – General | 18,359 | 0 | 431 | 18,790 |
| Group Net Assets | 18,359 | 10,400 | 1,423 | 30,182 |

Please see reserves note in the financial review for further details.

15. DESIGNATED FUNDS

| | Balance 01-Jul-2016 £000's | Transfers £000's | Outgoing £'000s | Balance 30-Jun-2017 £000's |
|-------------------------------|----------------------------------|---------------------|--------------------|----------------------------------|
| Premises Development | 2,539 | 0 | (129) | 2,410 |
| RCoA Research | 230 | 335 | (70) | 495 |
| Technology Strategy Programme | 1,405 | 500 | (310) | 1,595 |
| | 4,174 | 835 | (509) | 4,500 |

A designated fund is a 'ring fencing' by the Trustees of existing unrestricted funds for a particular project or use by the College. The amount 'ring fenced' for future expenditure at 30 June 2017 was £4,499,921 (2016: £4,173,621).

The transfers to and from unrestricted funds in year in respect of each individual fund are shown above.

The policy for creating designated funds and for the transfer from unrestricted funds is that a recommendation to Council is made from the Finance Committee thus ensuring that all Trustees partake in the process. Council is required to approve the transfers.

Premises Development

This fund was established in 2012 to set aside funds to meet the planned redevelopment of the College's estate. The aim is to utilise this funding within the life cycle of the new strategy taking the College to 2021, on redeveloping the office accommodation and lower floors of Churchill House to improve the facility for events, exams and other parties using the building. This fund is anticipated to be utilised over the life of the current College Strategy to 2021.

RCoA Research

The fund was established in 2013 to enable the College to set aside funds to undertake research projects such as NAPs and SNAPs and for funding fellowships as the opportunity arises over the life cycle of the current College strategy. With the new funding allocated to National Audit Project 7, this research funding will be utilised up to 2022.

Technology Strategy Programme

The College has set aside funding for expenditure on IT systems to ensure systems are up to date and meet the needs of the College's members and now includes the website development fund. The project is timetabled to run until November 2019.

16. (A) ENDOWED FUNDS – CONSOLIDATED AND COLLEGE

| | Balance | Movement in Resources: | | Balance |
|-------------------------------|-----------------------|------------------------|-----------------|-----------------------|
| | 01-Jul-2016 £000's | Incoming £000's | Gains £000's | 30-Jun-2017 £000's |
| BOC Chair of Anaesthesia Fund | 3,852 | 0 | 326 | 4,178 |
| Stanley Rowbotham Fund | 910 | 0 | 78 | 988 |
| Sargant Fund | 356 | 0 | 31 | 387 |
| Foundation Fund | 82 | 0 | 7 | 89 |
| Bernard Johnson Memorial Fund | 76 | 0 | 7 | 83 |
| Samuel Thompson Rowling Fund | 70 | 0 | 6 | 76 |
| Ethics and Law Fund | 70 | 0 | 6 | 76 |
| Nuffield Fund | 47 | 0 | 4 | 51 |
| Other Endowments | 67 | 0 | 0 | 73 |
| | 5,530 | 0 | 471 | 6,001 |

(B) ENDOWED FUNDS – CONSOLIDATED & COLLEGE PRIOR YEAR COMPARISON

| | Balance | Movement in Resources: | | Balance |
|-------------------------------|-----------------------|------------------------|-----------------|-----------------------|
| | 01-Jul-2015 £000's | Incoming £000's | Gains £000's | 30-Jun-2016 £000's |
| BOC Chair of Anaesthesia Fund | 3,547 | 0 | 305 | 3,852 |
| Stanley Rowbotham Fund | 837 | 0 | 73 | 910 |
| Sargant Fund | 328 | 0 | 28 | 356 |
| Foundation Fund | 75 | 0 | 7 | 82 |
| Bernard Johnson Memorial Fund | 70 | 0 | 6 | 76 |
| Samuel Thompson Rowling Fund | 65 | 0 | 5 | 70 |
| Ethics and Law Fund | 65 | 0 | 5 | 70 |
| Nuffield Fund | 43 | 0 | 4 | 47 |
| Other Endowments | 61 | 0 | 6 | 67 |
| | 5,091 | 0 | 439 | 5,530 |

The BOC Chair of Anaesthesia Fund

The BOC Chair of Anaesthesia Fund comprises the endowment of a research fellowship in the research department of anaesthesia at an institution determined by the College. The BOC Chair of Anaesthesia is a subsidiary charity of The RCoA and its registration No is 1013887 – 1. Expenditure in year against the restricted fund for this endowment (Note 17) relates to research grants totalling £110k (2016: £88k). These grants were expended at Imperial College London £58k, Queen Mary University (London) £58k, with £6k of over accrual from the previous grant recipient being written back following their final claim. In 2016 the £88k was expended at University of Southampton.

The Stanley Rowbotham Fund

This fund was established in 2007 to be used for education in anaesthetics as considered appropriate by the President and their advisers.

Sargant Fund

This fund was established in 2005. The purpose of the fund is to be used for educational and research purposes and travel on College business on the decision of the President.

Foundation Fund

This endowed fund was established in 1953 for the purpose of providing funding for lectureships, research grants and fellowships.

Bernard Johnson Memorial Fund

This fund was established in 1960 and its key purpose is to provide an endowment for the College adviser to overseas resident doctors who wish to receive training in anaesthesia in the UK. The Council can award an honorarium at their discretion.

The Samuel Thompson Rowling Fund

The endowed fund was established in 2011 to provide an eponymous annual lecture on Anaesthesia, Critical Care and Pain Medicine.

Ethics and Law Fund

This endowed fund was established in 2012 and is to be used to investigate legal and ethical issues connected with the practice of anaesthesia.

Nuffield Fund

This endowed fund was established in 1951 to be utilised to meet the research, teaching and lecturing expenses connected with the promotion of the art and science of anaesthesia.

Investment income from the endowed funds is included in the restricted fund of the same name.

17. (A) RESTRICTED FUNDS – CONSOLIDATED AND COLLEGE

| | Balance | Movement in Resources: | | | Balance |
|-----------------------------------|-----------------------|------------------------|-----------------|--------------------|-----------------------|
| | 01-Jul-2016 £000's | Incoming £000's | Gains £000's | Outgoing £000's | 30-Jun-2017 £000's |
| The BOC Chair of Anaesthesia Fund | 538 | 188 | 31 | (110) | 647 |
| Ernest Leach Research Fund | 93 | 0 | 0 | (4) | 89 |
| Rank Educational Fund | 44 | 0 | 0 | 0 | 44 |
| Belfast Fund | 25 | 0 | 0 | 0 | 25 |
| Bernard Johnson Memorial Fund | 18 | 3 | 0 | 0 | 21 |
| Other Restricted Funds | 66 | 76 | 0 | (77) | 65 |
| | 784 | 267 | 31 | (191) | 891 |

(B) RESTRICTED FUNDS – CONSOLIDATED & COLLEGE PRIOR YEAR COMPARISON

| | Balance | Movement in Resources: | | | Balance |
|-----------------------------------|-----------------------|------------------------|-----------------|--------------------|-----------------------|
| | 01-Jul-2015 £000's | Incoming £000's | Gains £000's | Outgoing £000's | 30-Jun-2016 £000's |
| The BOC Chair of Anaesthesia Fund | 472 | 125 | 29 | (88) | 538 |
| Ernest Leach Research Fund | 94 | 0 | 0 | (1) | 93 |
| Rank Educational Fund | 46 | 0 | 0 | (2) | 44 |
| Belfast Fund | 25 | 0 | 0 | 0 | 25 |
| Bernard Johnson Memorial Fund | 15 | 3 | 0 | 0 | 18 |
| Other Restricted Funds | 87 | 52 | 0 | (73) | 66 |
| | 739 | 180 | 29 | (164) | 784 |

The majority of restricted funds represent income earned on the endowed funds (see Note 16). The remaining restricted funds are as follows:

Ernest Leach Research Fund

This fund was established in June 2011 to be utilised for the purposes of research.

Rank Educational Fund

This fund was established in 1971. It is used to meet the expenses of overseas based visitors invited by the College to undertake a series of lectures.

The Belfast Fund

This fund established in 2015, to commemorate the association between anaesthesia and critical care in Northern Ireland, is to be expended on grants to College Fellows, Members and Trainees for educational purposes.

18. PENSION COMMITMENTS

The Royal College of Anaesthetists participates in the Superannuation Arrangements of the University of London ('SAUL'), which is a centralised defined benefit scheme within the United Kingdom for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ('CARE') basis.

Insufficient information is available to use defined benefit accounting for this multi-employer scheme and accordingly under FRS 102 this is accounted for by the College as if it was a defined contribution plan in accordance with paragraphs 28.11 of FRS 102.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2014. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations. The funding principles were agreed in November 2015 and are due to be reviewed at SAUL's next formal valuation in 2017.

The Trustee and Employers have agreed that the Technical Provisions deficit at the 31 March 2014 valuation will be addressed by employer contributions of 3% of Salaries between 1 April 2016 and 31 March 2018 (inclusive).

In 2016 a provision OF £171k was made in the financial statements for the present value of the estimated cost of the future 3% deficit funding payments under the above agreement of which a proportion have been utilised in this financial year.

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

19. PROVISIONS FOR LIABILITIES & CHARGES

| | 2017 £000's | 2016 £000's |
|------------------------|----------------|----------------|
| Opening Balance | 171 | 0 |
| Paid in Year | (98) | 0 |
| Additions in Year | 0 | 171 |
| Closing Balance | 73 | 171 |

Detail regarding the use of the pension provision in year is given in note 18.

20. TAXATION

As a registered charity the activities of the College are not subject to Corporation Tax.

21. RCoA TRADING LIMITED

RCoA Trading Limited is a wholly owned subsidiary of the College. In the Consolidated Statement of Financial Activities, the income of RCoA Trading Limited was £3,303,829 (2015: £2,475,999) is included as 'Trading subsidiary income' and expenditure (after removing its inter-company items) is included as 'Trading subsidiary expenditure'. The College charged the trading company £59k in management charges for staffing provided and facilities costs for use of the RCoA estate. Additionally the College did not charge the trading company for use of the RCoA estate to provide external events or sub let to tenants. The College's investment in RCoA Trading Limited is £2 consisting of two £1 Ordinary Shares.

Profit & Loss Account

| | 2017 £000s | 2016 £000s |
|---|---------------|---------------|
| Turnover | 3,304 | 2,476 |
| Operating Expenses | (2,813) | (2,149) |
| Operating Surplus | 491 | 327 |
| Gift Aid payments to Royal College of Anaesthetists | (491) | (327) |
| | 0 | 0 |

Balance Sheet

| | 2017 £000s | 2016 £000s |
|------------------------|---------------|---------------|
| Debtors | 554 | 463 |
| Cash at Bank & in Hand | 453 | 1,087 |
| | 1,007 | 1,550 |
| Creditors | (1,007) | (1,550) |
| Total Funds | 0 | 0 |

Capital & Reserves

| | 2017 £s | 2016 £s |
|--------------------------------|------------|------------|
| Called-up Share Capital | 2 | 2 |
| Profit & Loss Account | 0 | 0 |
| Total Shareholder Funds | 2 | 2 |