



Royal College of  
Obstetricians &  
Gynaecologists

# Consolidated Annual Report and Accounts

for the period ended 30 June 2019

Registered Charity No. 213280  
Scottish Registered Charity No. SC041594  
Royal Charter No. GB 1538 RCOG/H

# Royal College of Obstetricians & Gynaecologists

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# Royal College of Obstetricians & Gynaecologists

## Reference and administrative information

For the year ended 30 June 2019

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Royal College of Obstetricians and Gynaecologists

10–18 Union Street

London SE1 1SZ

UK

Registered Charity No. 213280

Scottish Registered Charity No. SC041594

# Royal College of Obstetricians & Gynaecologists

## Reference and administrative information

For the year ended 30 June 2019

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### Council

President	Lesley Regan
Senior Vice President Strategic Development	Mary Ann Lumsden
Vice President UK & Global Membership	Alison Wright
Vice President Education	Janice Rymer
Vice President Clinical Quality	Edward Morris
Vice President Global Health	Hani Fawzi

### Elected Fellows

London: North, Central, East & NW	Patrick O'Brien
London: South	Basky Thilaganathan
Eastern England	Jane Thomas Preston
Northern/Yorkshire/Humber	Adam Balen
South West	Tim Overton
North West	Sarah Vause
Kent Surrey & Sussex	Hany Habeeb
Thames Valley & Wessex	Felicity Ashworth
East Midlands	Susan Ward
West Midlands	Sean Kehoe
Wales	Euan Kevelighan
Scotland	Kirsty Dundas
	Phil Owen
Republic of Ireland	John Morrison
Northern Ireland	Carolyn Baillie
International (UK & rep. of Ireland)	Hassan Shehata
	Tim Draycott
	Rhona Hughes
	Ranee Thakar
Europe	Fionnuala McAuliffe

### Elected Members

London: North, Central, East & NW	Jane Currie* (George Attilakos*)
London: South	Vasanth Andrews
East of England	Edward Prosser-Snelling
Northern/Yorkshire/Humber	Usha Nair
South West	Katherine Edey
North West	Martin Maher**
Kent, Surrey & Sussex	Abhijeet Shah**
Thames Valley & Wessex	Deborah Harrington
East Midlands	Indranil Dutta
West Midlands	Tony Thomas
Scotland	Lucky Saraswat
Ireland	Declan Quinn
Wales	Anthony Griffiths

# Royal College of Obstetricians & Gynaecologists

## Reference and administrative information

For the year ended 30 June 2019

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### Members

Chair Trainees' Committee	Adalina Sacco
Vice Chair Trainees' Committee	Sarah Murray
Academic Board	Andrew Horne
SAS Lead	Laura Hipple
Women's Voices Lead	Kate Brian
Vice Chair Women's Network (rotating)	Catherine Nestor/Jane Plumb
President Faculty of Sexual & Reproductive Healthcare, RCOG	Asha Kasliwal

\*to 26 January 2019/\*wef 14 June 2019

\*\* with effect from 30 November 2018

### Board of Trustees

Chair	Baroness Tessa Blackstone (appointed 20 September 2019)
President	Lesley Regan (resigned as Chair on 20 September 2019) (resigned as President 13 December 2019)
Senior Vice President	Mary Ann Lumsden (resigned 13 December 2019)
Vice President	Eddie Morris (resigned 13 December 2019)
President	Eddie Morris (appointed 13 December 2019)
Senior Vice President	Ranee Thakar( appointed 13 December 2019)
Vice President	Jo Mountfield (appointed 13 December 2019)
RCOG Fellow	David Farquharson
RCOG Member	Daghni Rajasingam
RCOG Council Representative	Felicity Ashworth (resigned 20 September 2019)
RCOG Council Representative	Vacant
Trustee	Patrick Finch
Trustee	Roy Martin (until 26 August 2019)
Trustee	Linda Nash
Trustee	Sir Eric Thomas
Trustee	Kate Mathers
Trustee	Lynne Berry (appointed 20 September 2019, resigned 24 October 2019)

### Executive Director Team

Chief Executive	Ian Wylie (until September 2018) Fred Emden (interim CEO October 2018 to February 2019) Kate Lancaster (from March 2019)
Deputy Chief Executive	Fred Emden
Executive Director of Education & Quality	Gary Waltham
Executive Director of Resources	Rachel Dell (Left October 2019)
Executive Director of Finance & Resources	Paul Di Paola (from January 2020)
Executive Director of External Affairs	Victoria Bytel (Claire Dunn returning January 2020)
Executive Director of Membership & Global	Jennifer Woodside (from December 2019)

# Royal College of Obstetricians & Gynaecologists

## Reference and administrative information

For the year ended 30 June 2019

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### Advisers

#### External Auditors

Sayer Vincent LLP  
Invicta House  
114–118 Golden Lane  
London  
EC1Y 0TL

#### Internal Auditors

CW Audit  
Kingston House  
438–450 High Street  
West Bromwich  
B70 9LD

#### Bankers

Barclays Bank plc  
Hanover Square Corporate Banking Group  
PO Box 15163H  
50 Pall Mall  
London  
SW1A 1QD

#### Solicitors

Hempsons  
40 Villiers Street  
London WC2N 6NJ

Bates Wells  
Queen Street Place  
London EC4R 1BE

## Report of the Trustees

For the year ended 30 June 2019

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### Foreword

As my fellow Officers and I come to the end of our term, I am immensely proud of the work achieved over the past 12 months and during our tenure overall. It has been a great honour and pleasure to lead the College, and I am extremely grateful to my Vice Presidents for all the support, energy and enthusiasm that they have brought to these challenging roles.

2019 marks the RCOG's 90<sup>th</sup> anniversary. This past year has been marked with further significant milestones in the College's history including our relocation to a new home at Union Street in vibrant London Bridge.

#### Better for Women

Another key milestone was the development of the College's Better for Women report, which identifies simple and cost-effective solutions to prevent girls and women falling through the cracks of our health systems. In the UK, health and social inequalities are rife and are contributing to the UK's high unplanned pregnancy rate, poor maternal outcomes and high obesity rates, to name just a few. The Better for Women report seeks the creation of national Women's Health Strategies that adopt a life course approach to women's health. It is the first important step towards ensuring better health for girls and women, now and in the future.

We are raising women's health on the political agenda more than ever before but to bring about sustainable change everyone – including the UK Governments, the NHS, Royal Colleges, local authorities, women and many others – must engage and contribute. To this end, I was delighted to co-Chair the Department of Health & Social Care's Women's Taskforce over the past year bringing key stakeholders together from to discuss how best to tackle the inequalities that women face.

Women's voices and personal experiences remain at the heart of what the College does. Listening to their views on the care they receive brings huge value and insight not only to women's healthcare but also informs the work of every department within the RCOG.

As a College, I believe that it is our responsibility to amplify the voices of all women globally, but in particular to take a stand and speak up for those women and girls who have no voice of their own. Our Centre for Women's Global health is focused on delivering RCOG's mission to improve sexual and reproductive health in low-resource countries and we have some important projects to grow our emergency obstetric skills course and deliver best practice in safe abortion and contraception. We must continue to champion global advocacy and hold governments to account to deliver the UN Sustainable Development Goal Number 5: to end discrimination against women and girls.

Together this body of work showcases how we are fulfilling our dual ambitions of becoming the 'go-to' place for women's health in the UK and a global leader for women's health and reproductive healthcare.

#### Supporting the O&G Workforce

At the RCOG we believe that the welfare of the O&G workforce is at the centre of delivering the best care for patients. Supporting our doctors throughout their careers continues to be a key strategic priority crucial to the future sustainability of the O&G workforce. A Peer to Peer Support Service has been established to provide pastoral support to members who are looking for guidance on workplace issues, interpersonal difficulties, return to work options or nonclinical concerns. This is a way for members to find other members who are willing and able to give guidance.

## Report of the Trustees

### For the year ended 30 June 2019

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A new Expert Opinion Service was also established this year to provide doctors and their employers with an expert opinion on how best to manage a complaint or conduct issues and the options available to them. The aim is to facilitate the resolution of complaints at a local level, minimise the number of suspensions and referrals to the regulator and ultimately keep more doctors in work, where appropriate.

To ensure the concerns of our profession are heard and, most importantly, understood we have continued to liaise with workforce planners and government bodies. This has included contributing to a maternity workforce strategy from Health Education England, co-Chairing a Medical Workforce Steering Group and working with the Nuffield Trust to explore the O&G resources and workforce models required for remote and rural units. We have also established an advisory group to represent the needs of SAS and locally employed doctors, a group essential to the delivery of O&G services but who frequently get overlooked when it comes to professional support and career development.

#### Professional Development

Over the past 12 months we have also developed a new core curriculum, which was approved by the General Medical Council. This new curriculum, together with changes to the advanced curriculum, will transform how we deliver high-quality education and training to our workforce. This year also saw the development of a new CPD framework and accompanying ePortfolio. The new programme supports career development and personal job satisfaction, recognises wider professional roles and, in the UK, aligns more effectively with appraisal and revalidation.

TOG, the College's editorially independent CPD journal, continues to go from strength to strength. This year we recruited a new Editor-in-Chief and 11 new Editorial Board members from across the specialty including a primary-care expert. This will ensure the journal continues to deliver the highest quality content and lead the way as the go-to resource for continuing professional development in women's health.

RCOG eLearning, our online learning platform, has over 350 hours of learning content to support exam preparation, advanced training and professional development. New content this year has included nine new tutorials to support the ATSM Labour Ward Lead Module and a new Step Up and Resilience tutorial.

#### Clinical Quality

The RCOG produces guidelines, accredited by the UK's National Institute of Health and Care Excellence (NICE) as an aid to good clinical practice. Over the past 12 months four new Green-top Guidelines and five Scientific Impact Papers were published. We also began publishing informative Plain Language Summaries with our new Scientific Impact Papers to aid accessibility.

In May 2019, we launched the RCOG Centre for Quality Improvement and Clinical Audit to help transform the health of girls, women and their families by driving positive, evidence-based change in healthcare services. The purpose of the new Centre is to build on the work of the Lindsay Stewart Centre. Current projects include the OASI Care Bundle, the National Maternity and Perinatal Audit (NMPA) and Each Baby Counts Learn & Support. This year the NMPA published its second organisational report, which provides an up to date snapshot of NHS maternity and neonatal services in England, Scotland and Wales. This report illustrates the improvements made since 2017, in addition to the variation in the availability of services and facilities that still remain across the country.

#### RCOG World Congress

In June 2019 we held our annual World Congress in London, which saw over 4,000 delegates gather from more than 100 countries. During Congress we heard about the technological revolution which is changing the

# Royal College of Obstetricians and Gynaecologists

## Report of the Trustees

### For the year ended 30 June 2019

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way we treat our patients and the innovative ways that our peers and our colleagues are pushing the boundaries of our specialty forward. We also heard about the challenges which exist for women all around the world, many of whom struggle to access even the most basic levels of health care.

#### MRCOG Exams

The MRCOG continues to be a gold standard, internationally-respected examination supporting career progression in O&G. Candidate numbers for the MRCOG Part 1 and 2 exams have increased in the previous twelve months, above and beyond forecasted numbers, with significant growth in South Asia and the Gulf regions. A global expansion strategy for the MRCOG Part 3 examination has been developed. In the first phase we opened a brand new centre in Delhi and have increased candidate capacity to twice that of the UK. This year the exams department secured significant investment for a new Exams IT systems, which will provide computer based testing and a full end to end solution for exams management. This will also support the expansion of the exam globally enabling more doctors to sit the exam.

I would like to pay a special tribute to Roy Martin QC, former Trustee of the RCOG, who sadly died in 2019. Roy was a distinguished former Dean of the Faculty of Advocates and one of the few counsels to attain the distinction of Queen's Counsel in both Scotland and England and Wales. We are extremely grateful to Roy for the many valuable contributions he made to the work of this College.

This year, as part of important governance changes to the College, we appointed Baroness Tessa Blackstone as our first independent chair of the Board of Trustees. It has been my great pleasure to Chair the Board of Trustees during my time as President and I wish Baroness Blackstone every success for the future.

Finally, I would like to welcome Kate Lancaster, who joined the College as our new CEO in March 2019. Kate will be leading the continued development of the RCOG, ensuring its sustainability into the future.

At 90 years of age, our history and our heritage ground us. But our progressive ambitions for women and girls make our College an institution fit for the 21st century. We should never take for granted that in 1929 the creation of the RCOG by our farsighted founders was part of a progressive and radical movement. We need to keep this pioneering spirit alive and continue to make brave decisions about how best to deliver advances in women's healthcare, whether through education, quality improvement or by making the case to successfully influence decision-makers in government.

It has taken the efforts of every part of this College to establish and maintain our voice. I would like to thank all of our staff, our Fellows and Members and my team of Officers who have worked so hard to make this happen.

**Professor Lesley Regan**

President (2016–2019)

## Report of Trustees

### Principal activities, aims and objectives

The principal object of the College, as described in its Royal Charter, is 'the encouragement of the study and advancement of the science and practice of obstetrics and gynaecology'. This is reflected in the College's mission, which is to set standards to improve women's health and the clinical practice of obstetrics and gynaecology in the British Isles and across the world. Promoting best practice is at the heart of the College's activities.

In practical terms, the College does this through setting standards for training and best practice, educating and supporting Fellows, Members, trainees and other clinicians and advancing science and practice in the speciality by working with other organisations in health and in the care of women.

Our activities are funded through membership fees, examination charges and educational activities, publications and operating as a conference venue.

The College is registered with the Charity Commission in England and the Scottish Charity Regulator, although it pursues educational and standards setting activities across the whole of the UK as well as in an increasing number of other countries.

## Strategic Report

The following 4 Strategic Goals form the basis for Strategic reports from 2017/18 to 2019/20.

- 1. To improve women's health care by high-quality education, training and support of doctors throughout their careers**
- 2. To improve women's lives globally through the development of safe, high-quality clinical care throughout adolescence, reproductive and post-reproductive years**
- 3. To connect healthcare professionals, service users and partner organisations to radically improve women's health care both in UK and globally**
- 4. To achieve resilience by developing workforce and financial sustainability, innovation and technological agility**

### Strategic Goal 1

To improve women's health care by high-quality education, training and support of doctors throughout their careers

### Key Achievements & Performance

#### Membership

- Over 15,800 members in over 100 countries.
- 1,085 people admitted to membership or elevated to fellowship in the year.

## Report of the Trustees

### For the year ended 30 June 2019

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#### Exams

- Positive progress has been made implementing the Exams External Review recommendations.
- Candidate numbers for the MRCOG Part 1 and Part 2 have increased substantially over forecast, with significant growth in South Asia and the Gulf regions.
- A global expansion strategy for the MRCOG Part 3 examination has been developed. In the first phase a new centre in Delhi has been created and global candidate capacity has been increased to twice that of the UK.
- Significant investment has been approved for a new Exams IT system which will provide computer based testing and a full end-to-end solution for exams management.

#### Courses & Events

- The revamped National Trainees Conference, held in Birmingham, sold out in December 2018. The event had an innovative programme including sessions addressing morale and motivation in the speciality.
- A record breaking RCOG World Congress was held in June 2019 at the ExCel in London
  - Over 4300 participants attended
  - 112 countries were represented
  - It was the first congress to feature the voices of people who use O&G services, either via audio recordings or in person at many of the scientific sessions.

#### Professional Development

- A new CPD framework and CPD ePortfolio have been developed following the recommendations of “Tomorrow’s Specialist” and General Medical Council CPD guidance. The new programme supports career development and personal job satisfaction, recognises wider professional roles and in the UK aligns more effectively with appraisal and revalidation.
- The new CPD programme is
  - Determined by users’ learning goals
  - Relevant to learning needs and flexible to suit preferred ways of working
  - Designed to cover a broad range of topics including non-technical skills
  - Outcome focussed to show users how to implement learning in practice.
- 4,600 UK specialists and 700 international specialists currently registered on the RCOG CPD programme.

#### RCOG eLearning

- Launch of nine tutorials as part of the ATSM Labour Ward Lead module.
- Eight new case studies, four of which support the new CPD framework.
- Two “My Experience” videos developed in collaboration with RCOG Patient Involvement.
- New Step Up and Resilience tutorials released.

#### Supporting our Doctors

- Ensuring that the O&G profession is equipped and supported to deliver the highest levels of care to women and girls in a key strategic priority for RCOG.
- RCOG is collaborating with other organisations to understand and address the issues having an adverse effect on workplace cultures and good team working.

# Royal College of Obstetricians and Gynaecologists

## Report of the Trustees

### For the year ended 30 June 2019

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- A number of support resources and initiatives are underway including
  - Peer to Peer Support Service
  - Workplace Behaviour Champions
  - Managing Complaints
  - Return to Work Support
  - Job Planning
  - Addressing undermining.

#### Future Plans

#### Exams

- Implementation of the MRCOG Part 3 global expansion strategy to deliver a minimum of 1,850 exam places per annum by November 2021. The expansion targets development of new Part 3 exam centres in India, Egypt, Abu Dhabi and Malaysia, with Chennai, Kolkata and Abu Dhabi coming online by June 2020.
- Purchase and implementation of new exams system.
- Strengthen our processes for risk management and governance at all MRCOG examination centres to ensure our duty of care to RCOG examiners and invigilators as well as candidates.

#### Courses & Events

- New MRCOG Part 3 revision courses in Kolkata, Chennai and Bristol.
- Professional Development conference returns to Manchester.
- World Congress 2020 will be held in Muscat, Oman for the first time.

#### Professional Development

- Phase two of the Training ePortfolio will look at enhanced developments.
- Planning will start on a fundamental long-term review of all the RCOG's advanced curricula.
- New modules will be developed to support advanced and professional training.
- Feedback mechanisms will be produced to understand how users engage with the new systems.

#### RCOG eLearning

- Launch of ATSMs on Subfertility and Abortion care.
- A Global Women's Health tutorial to provide clinicians with an overview of the global health issues that affect women in lower-middle to low income countries.
- Launch a new obstetric human factors tutorial.

#### Strategic Goal 2

To improve women's lives globally through the development of safe, high-quality clinical care throughout adolescence, reproductive and post-reproductive years

#### Key Achievements & Performance

- Four Green-top Guidelines and five Scientific Impact Papers were published.

## Report of the Trustees

### For the year ended 30 June 2019

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- “Care of Women Presenting with Suspected Preterm Prelabour Rupture of Membranes from 24+0 Weeks of Gestation” was the first publication in a new format which includes a graphical summary and audio version.
- BJOG published the second batch of Research Methods Guides which aim to increase clinicians’ familiarity with data and statistics.
- In May 2019 the RCOG Centre for Quality Improvement and Clinical Audit was launched. The Centre’s aim is to help transform the health of girls, women and their families by driving positive, evidence-based change in healthcare services.
- The OASI Care Bundle Project developed and piloted an intervention package including a care bundle and guide, a multidisciplinary skills development module for healthcare professionals and campaign materials. This intervention was implemented in 16 maternity units across England, Scotland and Wales.
- The National Maternity and Perinatal Audit (NMPA) published its first “sprint” audits, which evaluate the feasibility of introducing new clinical measures into the audit with additional linkages to new datasets where appropriate.
- NMPA’s second organisational report was published, which provided an up to date snapshot of NHS maternity and neonatal services in England, Scotland and Wales. The report illustrated the improvements made since 2017 in addition to the variation in the availability of services and facilities that still remain across the country.
- Each Baby Counts released the 2018 Progress Report which presented the key findings and recommendations based on analysis of the 2016 data.
- The Each Baby Counts Learn and Support programme was launched. This programme will take forward the recommendations of the RCOG Each Baby Counts Programme and other national initiatives to work with and alongside frontline clinical staff to create the conditions that support maternity teams to work safely.
- The National Guideline Alliance published seven new and updated guidelines during the year.

#### Future Plans

- Two new Green-top Guidelines and two new Scientific Impact Papers will be published in 2019/20.
- Green-top Guidelines are evolving to include more interactive supporting content including new graphical summaries and audio versions.
- Each Baby Counts Learn and Support is funded by the Department of Health and Social Care until December 2021 and is a joint partnership project between the Royal College of Midwives and the RCOG.
- The National Guidelines Alliance plans to publish 8 guidelines in 2019/20.

#### Strategic Goal 3

To connect healthcare professionals, service users and partner organisations to radically improve women’s health care both in UK and globally

#### Key Achievements & Performance

- The Women’s Network led a project to test the new Nationals Standards for Involvement in Research by assessing current public involvement practice within the College’s Clinical Study Groups.

## Report of the Trustees

### For the year ended 30 June 2019

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- Four new patient information resources were published.
- Digital hubs have been created for the public around women's health topics. These hubs collate reliable, evidence based resources produced by allied women's health organisations and the NHS into one central place.
- Three health information webinars on various women's health topics were rolled out in the year.
- The Centre for Women's Global Health completed the Resilience Obstetric Skills project in Uganda and the Essential Gynaecological Skills pilot in Nigeria.
- Leading Safe Choices programme activities in South Africa wrapped up in December 2018.
- Leading Safe Choices Best practice papers were adapted to local contexts and endorsed in Bangladesh, Kenya, Pakistan, Zambia and Zimbabwe.
- The Centre partnered with Aga Khan University's School of Nursing & Midwifery and Makerere University in Uganda to design a Continuing Professional development programme for healthcare providers in Kampala. The proposal has been submitted to potential donors.
- The Women's Health Taskforce was created in 2018 and marked a real opportunity to radically improve health services for women.

#### Future Plans

- Over the coming year the Women's Network will be working closely with College members to bring together examples of good practice in public involvement and co-production in women's health, and share this practice amongst the wider membership.
- Over 2019/20 the College will be partnering with a variety of patient support organisations to co-produce new information resources.
- The Centre for Women's Global Health will finalise the details of a new \$3m project, funded by an anonymous donor.
- Development of a long-term fundraising pipeline including funds for the Uganda CPD partnership and the follow on phase for the Resilience in Obstetric Skills programme.
- Follow up with best practice paper champions providing support to aid implementation of the guidelines.
- The Women's Health Strategy will have a focus on prevention and will highlight the importance to a life course approach to health. In addition the strategy seeks to move the NHS towards a preventative health service for girls and women.

#### Strategic Goal 4

#### To achieve resilience by developing workforce and financial sustainability, innovation and technological agility

- The development programme of the College's new home at 10-18 Union Street continued through the year. Section 1 of the programme completed in late summer 2019 and Section 2 is scheduled to complete early in 2020. The College moved its full operation from Sussex Place to Union Street in November 2019. The move to Union Street represents an incredible opportunity for the College to fulfil its vision of becoming a global hub for women's health.
- To support the RCOG's move to Union Street the College sought funding from Trusts and Foundations and we were delighted to receive generous grants from the Garfield Weston Foundation and the Wolfson Foundation.

# Royal College of Obstetricians and Gynaecologists

## Report of the Trustees

### For the year ended 30 June 2019

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- In February 2019 the “Transforming Women’s Health” fundraising campaign to enable the College to raise vital funds to support its work addressing the many healthcare challenges faced by women. There has been a fantastic response to this campaign and the generosity of the Membership has been overwhelming.

#### Future Plans

- Work on Union Street continues. The College relocated to its new premises in November 2019 after completion of Section 1 of the development programme. Section 2 is scheduled to complete in early 2020.
- RCOG Trading will commence its activities at Union Street in March 2020 and work is underway to build a strong client base. The new premises offers an exciting trading opportunity and growth in revenue is anticipated.
- 2020 will see the unveiling of the RCOG Supporter Wall and Chair sponsorship plaque at Union Street. New fundraising activities will be launched in 2020 to build on the success of the 2019 campaign.

## Financial Review

### Report from the Senior Vice President, Strategic Development

#### 2018/19 Overview

These accounts cover the 12 month period from 1 July 2018 to 30 June 2019.

Overall a surplus (before other gains and losses) of £509,157 was achieved in the year, this is broken down as follows.

	Year to 30 June 2019	Year to June 2018
Endowment	£24,808	£23,057
Unrestricted	£634,519	£438,152
Restricted Funds	(£150,170)	(£1,146,910)
<b>Surplus/(Loss) (total)</b>	<b>£509,157</b>	<b>(£685,701)</b>

Contributing factors to this year’s results include –

#### Restricted

- The Leading Safe Choices programme entered an extension phase in 2018 and is utilising funds brought forward from previous years, resulting in a net expenditure position for 6 months of activity in 2018/19 (July 2018 to December 2018). This is due to income being recognised in the financial years in which it is received and therefore the activity in the extension period of the programme utilised funds received in earlier financial years.
- A grant of £500k from the Garfield Weston Trust was received in the financial year to support the Union Street development.

Report of the Trustees

For the year ended 30 June 2019

Unrestricted

- The World Congress held in London ExCel in June 2019 was attended by a record breaking 4,300+ participants and the surplus generated was significantly higher than achieved in previous years
- MROCG Part 1 and Part 2 candidate numbers continued to rise with Part 1 increasing by 9% on 2017/18 numbers and Part 2 increasing by 19% on 2017/18 numbers. The MRCOG Part 3 exam candidate numbers also grew by 39% on 2017/18 as the College opened new centres and held extra diets to increase capacity for this exam.
- RCOG Trading had a poor final quarter which resulted in a drop in income. This poor quarter was not unique to the College but was a general downturn in the market. This decreased the unrestricted surplus.
- Individual giving initiatives were successfully launched in the year.

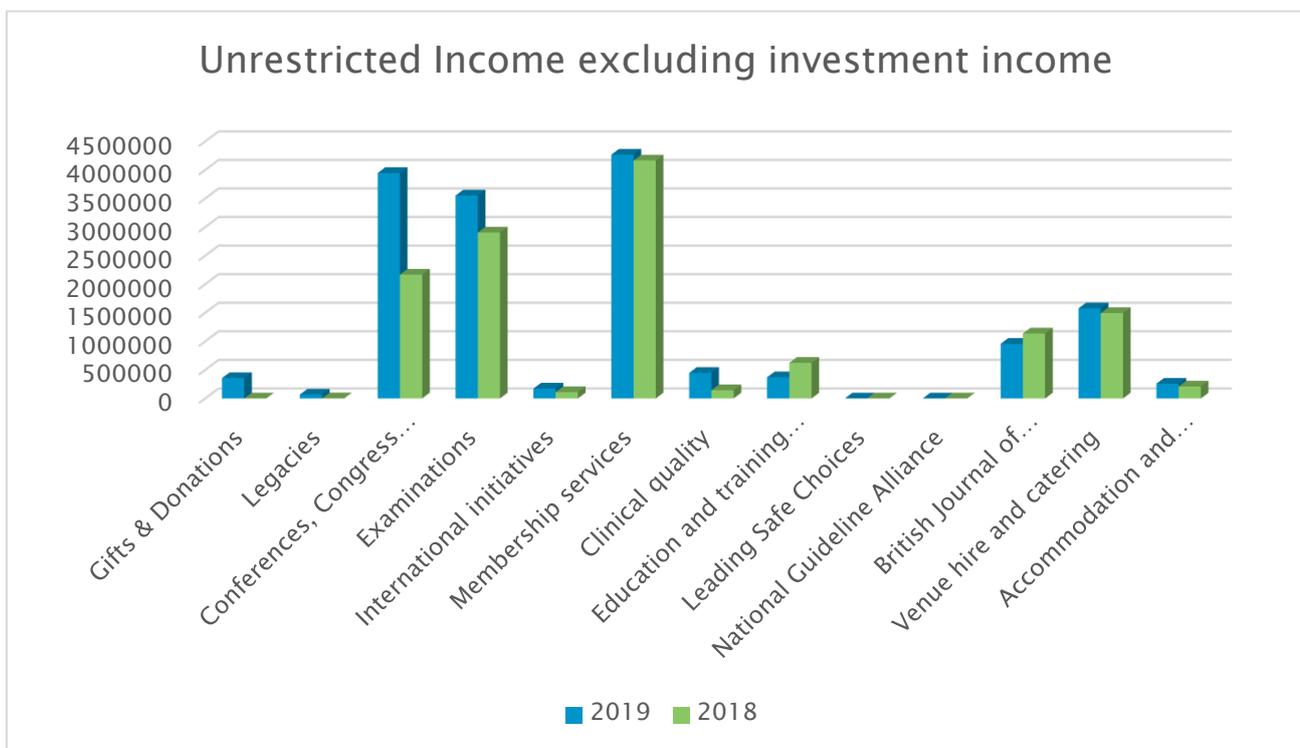
Analysis of Income & Expenditure

Income

Income for the year totalled £21.5m, an increase of 16% on 2017/18.

The main source of restricted income in the year was the funding received from NICE for the National Guidelines Alliance.

A comparison of the 2017/18 and 2018/19 unrestricted income is shown below.



Our core income streams remain Membership, Examinations and Conferences & Meetings. The launch of individual giving initiatives will help with the diversification of our income and work continues to identify new opportunities for growth.

# Royal College of Obstetricians and Gynaecologists

## Report of the Trustees

For the year ended 30 June 2019

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### Expenditure

Expenditure totalled £21m in 2018/19, an increase of 9.3% on the previous year.

Restricted expenditure fell from 2017/18 as the Leading Safe Choices programme concluded in December 2018.

In unrestricted activity expenditure the main areas where costs increased were:

- Conferences, Congresses and Meetings as the 2019 Congress expenditure was solely funded by RCOG.
- Examinations due to an increased number of MRCOG Part 3 diets held in the year to meet demand.
- Other Trading activities where a change in booking profiles saw an increase in catering costs attached to events.

Support costs totalled £5.3m representing 25.2% of total expenditure. These support costs are split over the charitable activities using the percentages shown in Note 1(i) to the accounts. Support costs includes expenditure related to back office functions, premises & facilities and pensions.

### Balance Sheet

The main balance sheet movement in the year related to the Union Street development with Fixed Assets increasing as the development progresses.

The Creditors at the year end include the balance of the bridging facility taken out to complete the purchase of Union Street. At the year end £10m remains outstanding and this will be partially paid in December 2019 when the remaining £3m due from London Business School is received. The balance of £7m will be converted to a term loan.

### Reserves

#### Designated funds

Designated funds reflect a total of £43,644,276 (2018: £43,195,238). Fixed assets represent £44,570,217 of the designated funds (see note 21 for complete breakdown), including the heritage fund of £300,000, representing the valuation of those historic donations of furniture, books, pictures and equipment. Details on all remaining funds are included in note 22 to 24 on pages 46 to 52 of the Annual Accounts.

#### Policy on general reserves

RCOG Trustees have established a Reserves Policy to protect the organisation from fluctuations in income, to properly manage risk and to be capable of realising unforeseen opportunities that may arise from time to time. Trustees consider a reasonable level of reserve to be essential in supporting the College's ongoing commitments and its contractual obligations.

# Royal College of Obstetricians and Gynaecologists

## Report of the Trustees

### For the year ended 30 June 2019

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RCOG's reserves policy reflects financial risks and commitments, including the following:

- Working capital requirements.
- Short term increases in spend for known liabilities.
- Contingencies for those risks on the corporate risk register which potentially could have a serious financial impact.
- Identified infrastructure expenditure in the next 24 months.

The Trustees reviewed these areas and concluded that the minimum free reserve required for this financial period is £4,500,000. This level of reserve will be reviewed annually to ensure that it is sufficient to manage risk within the business.

The total funds balance of £59,644,496 includes endowments, restricted funds and designated funds. Only a small proportion of the reserve is backed by unrestricted, freely realisable cash.

At 30 June 2019, the free reserves amounted to £6,233,510 (2018: £5,607,608). This exceeds the required free reserve of £4.5m by £1.7m. The 2019 free reserve includes £1,692,130 of freely realisable cash. The majority of the funds are invested in short and medium term vehicles which generate a small but steady income.

Trustees consider the current reserve to be within a tolerable margin, given the inherent risk until Union Street is completed.

The total of free reserves is calculated as follows:

	2018/19	2017/18
<b>Total charity funds</b>	59,644,496	58,798,245
<b>Less Permanent endowment funds</b>	(2,602,538)	(2,508,961)
<b>Less Expendable endowment funds</b>	(1,303,702)	(1,360,695)
<b>Less Restricted income funds</b>	(6,684,221)	(6,711,278)
<b>Less Designated funds</b>	(43,644,276)	(43,195,238)
<b>Add Pension reserve</b>	1,463,000	1,120,000
<b>Less General funds represented by plant, furniture and equipment</b>	(639,249)	(534,465)
<b>Total free reserves</b>	<b>£6,233,510</b>	<b>£5,607,608</b>

## Investment Policy

The key investment objectives within RCOG's formal investment policy statement are as follows:

- RCOG seeks to produce the best financial return within an acceptable level of risk.
- The investment objective of the endowments (considered long-term) is to balance income and capital returns. The assets should be managed to at least maintain the real capital value of the endowments, whilst generating a sustainable level of investment income to support the current charitable activities.

## Report of the Trustees

### For the year ended 30 June 2019

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- RCOG Trustees resolved that seven permanent endowments be treated on a total return basis, after the Trusts (Capital and Income) Act 2013 came into force in 2014.
- The investment objective of the general restricted reserves (considered long-term) is to generate a total return in excess of inflation over the long-term whilst generating income to support the on-going activities defined by the restrictions.

The unrestricted reserves are categorised in four ways:

- Standard cash holding, sufficient to meet the working capital requirements of the charity, to achieve the best available returns within the risk parameters set out in 3.4.
- High liquidity cash deposit account holding, set up in 2016 to manage funds required for purchase of a new building, required over a 0–3 year time horizon. The key objective for these funds is capital preservation with a return deemed reasonable within that context.
- Reserves with a medium term horizon are invested on a cash + basis in diversified funds.
- Reserves with a longer time horizon are managed to maximise real return within a risk profile associated with real assets.

RCOG considers and reviews the ethical dimensions of any direct investments it makes, specifically in relation to its values and charitable objects. RCOG understands that in its use of pooled and diversified growth funds, it is unable to control the detailed stock allocation.

### Transfer of Permanent Endowments

Application of the Trusts (Capital and Income) Act 2013 enabled the College to transfer a proportion of the permanent endowments in to restricted funds, without the requirement to seek approval from the Charity Commission.

Following the passing of the required resolution by the Board during 2014, the total return approach was applied to 7 of the permanent endowments. This transfer allows the College to use any gains made on those endowments as income. The policy is to treat the calculated present value of the original gift as the “core capital” that will remain as an endowment. The remaining value is the “unapplied return”. Out of that, the College is able to set aside 5% each year, available to spend on restricted projects, this being the “applied return”. Details of these funds are included in note 22 on pages 46 to 47.

### Fund Management

Funds managed by Newton Investment Management (NIM) showed a total gain on return of 9.8% for the year. Funds managed in year by Blackrock showed a total surplus on return of 3.4% for the year. Newton’s fund target is to achieve 1 month LIBOR + 4% over a rolling 5 year period. The Blackrock fund target is set at 3 month LIBOR+3% over a 5 year period. Funds invested in Sarasin & Partners showed a total return of 7.3% for the year.

The total market investment portfolio reduced by 8.5%, from £14,865,231 in 2018 to £13,605,895 at 30 June 2019. This decrease partly resulted from the sale of £1.4m of investments, with the proceeds being placed in Liquidity Funds to support the Union Street project.

# Royal College of Obstetricians and Gynaecologists

## Report of the Trustees

### For the year ended 30 June 2019

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The Investment and Advisory Panel has continued to monitor the effectiveness of its investments in order to obtain maximum growth within the remit of its investment policy and risk tolerance.

Further details on investments can be found in note 15 on page 43 of the Annual Accounts.

### Fundraising

RCOG is registered with the Fundraising Regulator and has established fundraising policies using the Code of Fundraising Practice as a guideline. Our campaigns are run by an in-house team and we do not engage the services of commercial partners to raise funds on our behalf.

We aim to follow best practice in our fundraising activities and to ensure that communications are carried out in accordance with members' contact preferences.

A complaints procedure is in place to ensure any complaints received are dealt with promptly and handled in accordance with our policy.

The College launched new fundraising initiatives in the year which were met by a great response from our Fellows and Members and will support the work of the College to improve women's health care.

### Performance of trading company

The College has a commercial arm, RCOG Trading Limited, whose principal activities includes the hire of rooms and the provision of catering facilities and accommodation provided by "Rooms on Regent's Park". The trading company generated a surplus of £493,597 in the year to 30 June 2019 (June 2018: £552,600), which was gifted in its entirety to the RCOG charity. These results are consolidated into the accounts of the College. External lettings and associated income increased by 8% from 2017/18. However the year saw a shift in the event types held, with a move from room hire only to many more fully catered events and therefore cost of sales increased by 16% in the year.

### Pensions

The College operates two pension schemes: the Defined Contribution Scheme (DCS), which is open to all staff, and the Defined Benefit Scheme (DBS), both operated through a separate trustee-administered fund. In May 2014, the College introduced an auto-enrolment section within the DCS. The DBS was closed to new members in 2003 and future accrual for active members ceased from 31st December 2014. The triennial valuation of the DBS to 31st March 2016 was concluded and revealed a funding shortfall of c£4.98m. A 10 year repayment plan was agreed with the employers and RCOG made an initial payment in 2017 of £862k with further deficit repayments scheduled from 2020.

At 30 June 2019, the College's share of the accounting liability was £1,463,000 (2018: £1,120,000). Further details of the schemes can be found in note 27 on pages 53 to 55 of the Annual Accounts.

# Royal College of Obstetricians and Gynaecologists

## Report of the Trustees

For the year ended 30 June 2019

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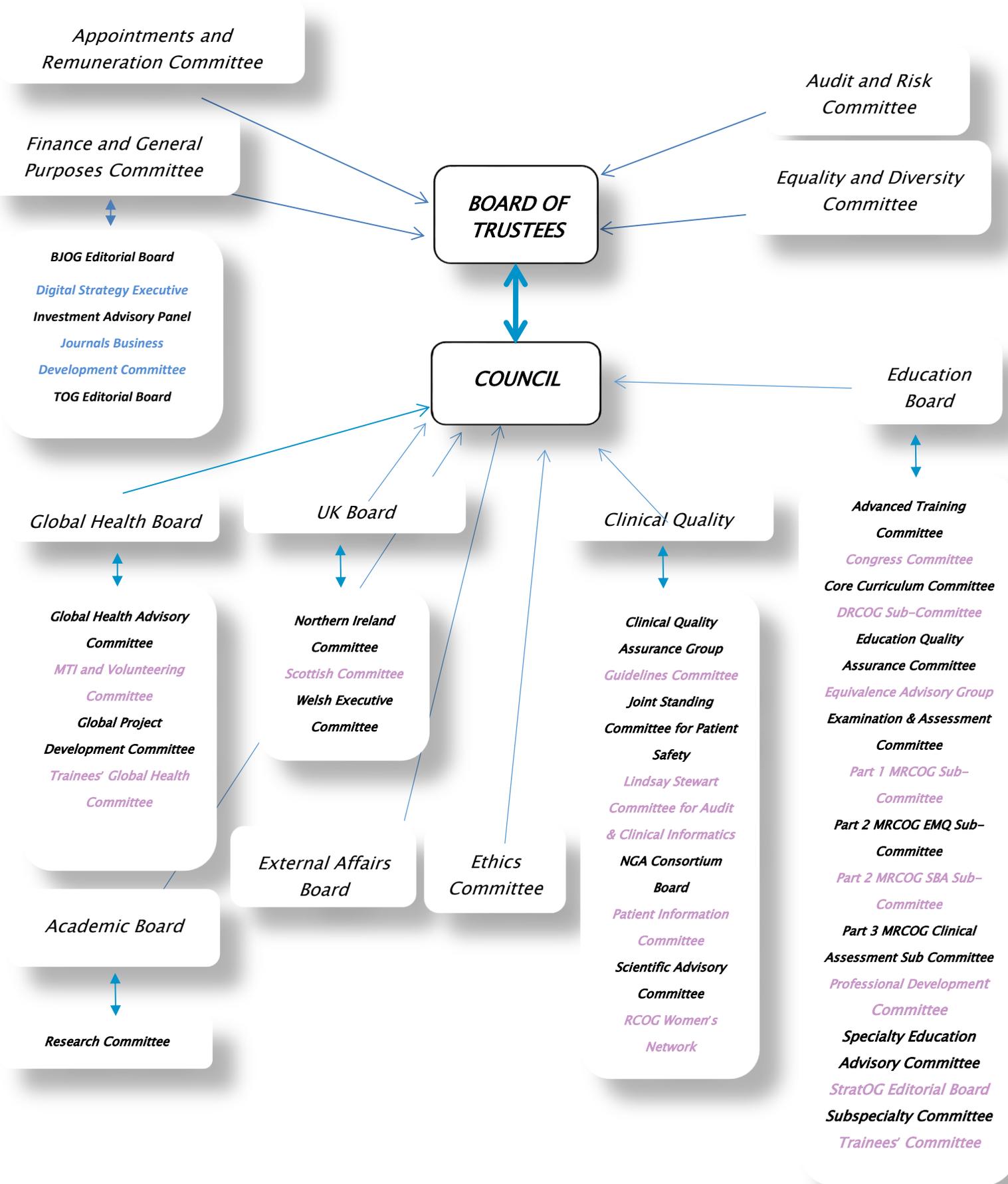
### Auditors

Sayer Vincent LLP were re-appointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

### Consolidated accounts statement

This annual report and accounts have been approved by the Trustees on 6 February 2020 and are signed on their behalf by

Baroness Tessa Blackstone  
Chair



# Royal College of Obstetricians and Gynaecologists

## Report of the Trustees

### For the year ended 30 June 2019

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The Board of Trustees, chaired by the President up to September 2019, combines both clinical leadership with wider expertise, essential to charity governance. Its membership includes six O&G Trustees – the President, Senior Vice President, Vice President Clinical Quality, a Member or Fellow elected from Council and two Members or Fellows of the College in active practice. The Board also includes five Trustees from a range of professional backgrounds.

The Board of Trustees provides the required scrutiny to the financial, business and legal matters of the College and is the ultimate decision making body. Day to day management of College business is delegated to the Executive team.

The governance of the College is supported through Council, which develops policies and activities on all clinical and professional matters for women's health, recommending these to the Board of Trustees. Council, chaired by the President, meets on 6 occasions during each year. Its members include Honorary Fellows, Fellows and Members of the College, including 20 elected Fellows, 13 elected Members, 2 Trainee representatives, the Chair of the Academic Board, the Chair and Vice Chairs of the Women's Network and President of the Faculty of Sexual and Reproductive Healthcare.

The Finance and General Purposes Committee has delegated power to perform, on behalf of the Trustees, matters of specified business. It is responsible for the financial scrutiny of the College, including critically reviewing management accounts and recommending the annual budget to Trustees for approval.

The Audit & Risk Committee provides the Trustees with an independent assessment of the College's statutory financial position and accounting affairs, with the objective of providing further assurance of the quality and reliability of the financial information. It also oversees the systems of governance, risk management and internal control across the whole of the College's activities. It meets not less than three times a year.

The RCOG encourages diversity on all College Boards and Committees. This falls under the remit of the Equality & Diversity Committee which is chaired by an independent lay representative.

A network of Equality and Diversity Champions has been established across College committees. These champions will provide information and guidance on equality and diversity matters; raise awareness of equality, diversity and inclusivity issues; and monitor the work programmes, activities and products of the Committees to ensure they are inclusive to all.

The Board recognises the challenging environment that the Charity sector has faced in recent times with respect to governance and following the publication of the Charity Governance Code in July 2017, the Board created a small working group and Council created a Task & Finish Group to advise Trustees and Council on the impact of the new code on the existing College governance structure.

Following recommendations from the Task & Finish Group, established after the publication of the Charity Governance Code in 2017, Resolutions to amend the Regulations were passed at a General Meeting of the RCOG held at the College on Friday 21 September 2018.

## Report of the Trustees

### For the year ended 30 June 2019

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This means that:

- The role of President will be separated from the role of Chair of the Board of Trustees. Baroness Tessa Blackstone was appointed as the new Chair on 20 September 2019.
- The current team of Officers remain in post until December 2019, to provide continuity during our move to Union Street; all subsequent Officer terms will run for three years from December to December

The Board of Trustees oversees the implementation of other recommendations arising from the work of the Task & Finish Group.

### Trustee appointment and responsibilities

The Trustees are responsible for preparing the report and the financial statements 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 requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the College and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, Trustees are required to:

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

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

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

The Trustees confirm that, so far as they are aware, there is no relevant audit information of which the College's auditors are unaware. It has taken all the steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the College's auditors are aware of that information.

## Report of the Trustees

For the year ended 30 June 2019

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### Training and induction of Trustees

New Trustees are inducted into their role and College business through an induction programme which includes briefings from the President, Officers, Chief Executive and key staff. As part of this process, information is provided about their roles and duties as charitable Trustees, as well as other supporting information about the governance of the College.

The Chair appraises the progress made by Trustees and the President appraises the progress made by Officers and Council in relation to their areas of responsibility and the objectives outlined in the College Strategy. This occurs at least annually. Internal support and development is given to Trustees in accordance with identified individual needs.

The Chief Executive is appraised by the Chair and President on an annual basis.

### Remuneration

The College recognises the importance of attracting and retaining the right skills to ensure we can deliver our objectives.

RCOG operates a graded pay structure and all roles are subject to an evaluation process to determine the applicable pay grade.

The objectives of the evaluation process are as follows:

- To enable consistent decisions to be made on grading and rates of pay.
- To establish the extent to which there is comparable worth between jobs so that equal pay can be provided for work of equal value.
- To ensure staff are rewarded appropriately for the work they undertake for the College.
- To make sure all new posts are graded appropriately by ensuring a standard approach is taken when allocating grades.

The College operates an annual appraisal system to evaluate individual performance. This performance evaluation process enables an individual to move up their pay grade. In addition to this the Board annually reviews all pay levels and, if affordable, awards an annual uplift. It is recommended that this reflects RPI (capped at 3%), however the Board can choose to exceed this. In 2019 an annual inflationary uplift of 2% was agreed by the Appointment and Remuneration Committee.

The Board governs the remuneration of Executive Directors via the Appointments & Remuneration Committee. Information on those employees paid over £60,000 in the year can be found in Note 9.

### Charity and related parties

Related party transactions for the year are split as follows – Sales Ledger £ 610,748 and Purchase ledger £11,300. These transactions related to the chairing of committees, contributions to BJOG content, payroll recharges and hire of event space. Full details of these payments can be found in Note 11 to the accounts.

Report of the Trustees

For the year ended 30 June 2019

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Principal Risks and Uncertainty

The Audit & Risk Committee, as part of its duties, oversees risk management activity at the College. The committee has an assurance and oversight role to provide the Board of Trustees with the necessary assurance on the adequacy and effectiveness of the College’s risk management framework. Risk management is viewed as a dynamic cycle of assessment, action and review. The Audit & Risk Committee reports directly to the Trustees.

During the year a Board Assurance Framework was developed to focus on the main strategic risks faced by the business. This framework will be monitored and updated by the Executive Directors and reported to the Audit & Risk Committee and the Board of Trustees on a quarterly basis. The corporate risk register, which focusses on key operational risks, will operate alongside this new framework. The register is regularly updated by the Senior Leadership Team and reviewed by Executive Directors, with higher level risks reported to Audit and Risk at their quarterly meetings.

The most significant risks identified in the Board Assurance Framework are:

Key risk areas	Key controls
Financial instability due to a lack of diverse income streams, lack of revenue growth and/or an uncontrolled cost base, which affects our long-term sustainability and capacity to deliver our vision.	Five year financial planning, close monitoring of actual results against budgets, focus on business development roles within the organisation and sound financial principles to provide clear guidance for the senior leadership team.
The College’s governance structures and processes do not facilitate appropriate performance monitoring and management to achieve the College’s strategic objectives, efficient running of the college, high quality delivery of services and regulatory compliance.	Board assurance framework, an annual programme of internal audit and standing financial instructions
There is a risk that adverse publicity from an untoward event damages our reputation and stakeholder confidence negatively affecting support received and/or income generated.	Information governance policies and guidelines, regular reports to donors on progress against plan, due diligence exercises prior to and throughout the programme lifecycle and knowledge and expertise within External Affairs team.

### Nature of governing document

The RCOG is governed by a Royal Charter, granted in 1947, and Regulations made pursuant to the Charter. The Charter was renewed in December 2003, amended in 2012 and the College is bound by its regulations. In 2010, the College was separately registered as a charity in Scotland.

### Public Benefit

The Trustees confirm that they have considered the Charity Commission's guidance on Public Benefit in determining the strategy for achieving the charity's aims and objectives. The identifiable benefits women receive include the specialist clinical care made possible through the education of doctors. Women also benefit from service improvements through our focus on clinical quality, our participation in research and audit and our collaborative work with other educational providers, service bodies and policy makers in Health. The number of doctors successfully qualifying in the specialty and the tangible use of our standards to improve care, confirm that these benefits are being achieved. The general public and health professionals can access information via our website.

While the College is a professional and educational body, the ultimate beneficiaries of our work are women and their families in all the countries where our clinicians work and where the College delivers targeted help, including in lower-resourced regions.

## Independent auditor's report

### To the trustees of

### Royal College of Obstetricians & Gynaecologists

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## Opinion

We have audited the financial statements of Royal College of Obstetricians & Gynaecologists (the 'parent charity') for the year ended 30 June 2019 which comprise the consolidated statement of financial activities, the group and parent charity 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 and parent charity's affairs as at 30 June 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
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

## 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 or 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 other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

## Independent auditor's report

### To the trustees of

### Royal College of Obstetricians & Gynaecologists

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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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient and proper accounting records have not been kept; 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 in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 144 of the Charities Act 2011 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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

## Independent auditor's report

### To the trustees of

#### Royal College of Obstetricians & Gynaecologists

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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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent auditor's report

To the trustees of

**Royal College of Obstetricians & Gynaecologists**

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### Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Judith Miller (Senior statutory auditor)  
21 February 2020  
Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Royal College of Obstetricians and Gynaecologists

Consolidated statement of financial activities

For the year ended 30 June 2019

	Note	Endowment £	Unrestricted £	Restricted £	2019 Total £	Endowment £	Unrestricted £	Restricted £	2018 Total £
<b>Income from:</b>									
Charitable activities									
Donations and legacies	2	-	422,548	568,478	991,026	-	2,010	143,105	145,115
Charitable activities	3	-	13,708,425	4,519,306	18,227,731	-	11,247,805	5,022,270	16,270,075
Other trading activities	4	-	1,832,891	-	1,832,891	-	1,702,745	-	1,702,745
Investments	5	24,808	270,425	112,468	407,701	23,057	221,386	122,181	366,624
Gain on lease disposal and other income		-	-	-	-	-	-	-	-
<b>Total income</b>		<b>24,808</b>	<b>16,234,289</b>	<b>5,200,252</b>	<b>21,459,349</b>	<b>23,057</b>	<b>13,173,946</b>	<b>5,287,556</b>	<b>18,484,559</b>
<b>Expenditure on:</b>									
Raising funds									
Charitable activities	7	-	-	-	-	-	-	-	-
Raising funds	7	-	329,165	-	329,165	-	85,422	-	85,422
Charitable activities	7	-	14,156,221	5,350,422	19,506,643	-	11,701,988	6,434,466	18,136,454
Other trading activities	7	-	1,114,384	-	1,114,384	-	948,384	-	948,384
<b>Total expenditure</b>	7	<b>-</b>	<b>15,599,770</b>	<b>5,350,422</b>	<b>20,950,192</b>	<b>-</b>	<b>12,735,794</b>	<b>6,434,466</b>	<b>19,170,260</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>24,808</b>	<b>634,519</b>	<b>(150,170)</b>	<b>509,157</b>	<b>23,057</b>	<b>438,152</b>	<b>(1,146,910)</b>	<b>(685,701)</b>
Net gains / (losses) on investments		167,784	284,226	92,084	544,094	(69,917)	178,729	(143,758)	(34,946)
<b>Net income / (expenditure)</b>	8	<b>192,592</b>	<b>918,745</b>	<b>(58,086)</b>	<b>1,053,251</b>	<b>(46,860)</b>	<b>616,881</b>	<b>(1,290,668)</b>	<b>(720,647)</b>
Transfers between funds	22-24	(156,008)	124,979	31,029	-	38,626	-	(38,626)	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>36,584</b>	<b>1,043,724</b>	<b>(27,057)</b>	<b>1,053,251</b>	<b>(8,234)</b>	<b>616,881</b>	<b>(1,329,294)</b>	<b>(720,647)</b>
Actuarial gains / (losses) on defined benefit pension schemes	27	-	(207,000)	-	(207,000)	-	921,000	-	921,000
Other gains / (losses)		-	-	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>36,584</b>	<b>836,724</b>	<b>(27,057)</b>	<b>846,251</b>	<b>(8,234)</b>	<b>1,537,881</b>	<b>(1,329,294)</b>	<b>200,353</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		3,869,656	48,217,311	6,711,278	58,798,245	3,877,890	46,679,430	8,040,572	58,597,892
<b>Total funds carried forward</b>	22-24	<b>3,906,240</b>	<b>49,054,035</b>	<b>6,684,221</b>	<b>59,644,496</b>	<b>3,869,656</b>	<b>48,217,311</b>	<b>6,711,278</b>	<b>58,798,245</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Notes 21-23 to the financial statements.

## Balance sheets

As at 30 June 2019

	Note	The group		The charity	
		2019 £	2018 £	2019 £	2018 £
<b>Fixed assets:</b>					
Tangible assets	13	45,209,466	39,042,336	45,209,466	39,042,336
Investments	15	13,605,895	14,865,231	13,605,897	14,865,233
		<b>58,815,361</b>	53,907,567	<b>58,815,363</b>	53,907,569
<b>Current assets:</b>					
Stock		9,792	13,091	6,145	7,020
Debtors	16	5,801,952	11,911,648	5,596,334	11,695,638
Cash at bank and in hand		13,156,362	9,281,653	13,153,155	9,289,700
		<b>18,968,106</b>	21,206,392	<b>18,755,634</b>	20,992,358
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	17	(16,675,971)	(15,195,714)	(16,463,501)	(14,981,682)
<b>Net current assets / (liabilities)</b>		<b>2,292,135</b>	6,010,678	<b>2,292,133</b>	6,010,676
<b>Debtors: amount due after one year</b>	20	-	3,000,000	-	3,000,000
<b>Creditors: amount due after one year</b>	18	-	(3,000,000)	-	(3,000,000)
<b>Net assets excluding pension asset / (liability)</b>		<b>61,107,496</b>	59,918,245	<b>61,107,496</b>	59,918,245
Defined benefit pension scheme asset / (liability)	27	(1,463,000)	(1,120,000)	(1,463,000)	(1,120,000)
<b>Total net assets / (liabilities)</b>		<b>59,644,496</b>	58,798,245	<b>59,644,496</b>	58,798,245
<b>Funds:</b>					
Capital funds:	21				
Permanent endowment funds		2,602,538	2,508,961	2,602,538	2,508,961
Expendable endowment funds		1,303,702	1,360,695	1,303,702	1,360,695
		<b>3,906,240</b>	3,869,656	<b>3,906,240</b>	3,869,656
Restricted income funds		6,684,221	6,711,278	6,684,221	6,711,278
Unrestricted income funds:					
Designated funds		43,644,276	43,195,238	43,644,276	43,195,238
Pension reserve		(1,463,000)	(1,120,000)	(1,463,000)	(1,120,000)
General funds		6,872,759	6,142,073	6,872,759	6,142,073
Total unrestricted funds		<b>49,054,035</b>	48,217,311	<b>49,054,035</b>	48,217,311
<b>Total charity funds</b>		<b>59,644,496</b>	58,798,245	<b>59,644,496</b>	58,798,245

Approved by the board of management on 6 February 2020 and signed on their behalf by

Baroness Tessa Blackstone  
ChairLinda Nash  
Trustee

## Consolidated statement of cash flows

For the year ended 30 June 2019

	Note	2019	2018
	25	£	£
<b>Cash flows from operating activities</b>			
<b>Net cash provided by / (used in) operating activities</b>		<b>8,118,139</b>	<b>19,171,183</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		407,701	366,624
Proceeds from the sale of fixed assets		–	–
Purchase of fixed assets		(6,454,561)	(38,389,893)
Proceeds from sale of investments		2,758,228	1,652,911
Purchase of investments		(954,798)	(297,719)
<b>Net cash provided by / (used in) investing activities</b>		<b>(4,243,430)</b>	<b>(36,668,077)</b>
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		–	13,000,000
<b>Net cash provided by / (used in) financing activities</b>		<b>–</b>	<b>13,000,000</b>
<b>Change in cash and cash equivalents in the period</b>		<b>3,874,709</b>	<b>(4,496,894)</b>
Cash and cash equivalents at the beginning of the period		9,281,653	13,778,547
<b>Cash and cash equivalents at the end of the period</b>		<b>13,156,362</b>	<b>9,281,653</b>

**1 Accounting policies**

**a) Statutory information**

The Royal College of Obstetricians and Gynaecologists is an unincorporated charity registered with the Charity Commission in England & Wales and OSCR in Scotland. The registered office address is 10–18 Union Street, London, SE1 1SZ.

**b) Basis of preparation**

The accounts have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (September 2015) and the Charities Act 2011.

The accounts have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

These financial statements consolidate the results of the charity and its wholly-owned subsidiary RCOG Trading Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the period is disclosed in the notes to the accounts.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The College's free reserve policy assesses the minimum requirement for free reserves based on working capital requirements, capital expenditure commitments and contingency for risk over the following 24 month period. For this financial period it was determined that a free reserve of £4.5m is required. At the 30 June 2019 the free reserve totalled £6,233,510. A recent review of the College's 5 year plan shows that surpluses can be achieved in 2019/20 and 2020/21. Therefore it is reasonable to assess that there are sufficient resources available to allow the College to operate for the foreseeable future.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) Income**

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

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.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Endowment funds are split between permanent endowments and expendable endowments. The capital of the permanent endowments must be maintained, although the income can be utilised in accordance with the terms of the endowment.

The total return approach is applied to 7 of the College's permanent endowments. The policy is to treat the calculated present value of the original gift as the "core capital" that remains an endowment. The remaining value is the unapplied return and from this the College can set aside 5% each year for use on restricted projects. This represents the "applied return". This approach was applied for 12 months of the 18 month period.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**h) Expenditure and irrecoverable VAT**

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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering membership, examination, educational services undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**1 Accounting policies (continued)**

**i) Allocation of support costs & governance costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

● Conferences and meetings	12%
● Examinations	9%
● International initiatives	7%
● Membership Services	43%
● Clinical Quality	11%
● Education and training	11%
● BJOG	3%
● Other trading activities	4%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**j) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £10,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Leasehold buildings	the lower of 50 years and the period of the lease
● Plant	10 years
● Furniture and fittings	5 years
● Computer Equipment	3 years

**l) Listed investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities.

Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**m) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**n) Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**o) 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. Debtors due in greater than one year have been discounted to net present value.

**p) 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.

**q) 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.

The charity 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.

**r) Financial instruments**

The charity only has both basic and non-basic financial assets and financial liabilities. 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. Non-basic financial instruments are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

**1 Accounting policies (continued)****s) Pensions**

The defined benefit pension scheme is recognised and treated in accordance with section 28 of FRS 102.

The defined benefit pension scheme assets are measured using market values. The scheme's liabilities are measured using the projected units actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The current service cost and any increase in the present value of the liabilities within the College's defined benefit scheme expected to arise from employee service in the period is allocated to the respective expenses category (as outlined above) in respect to staff costs.

Actuarial gains and losses, in respect of the College's defined benefit scheme are recognised in the Statement of Financial Activities in recognised gains and losses for the period.

Contributions in respect of the College's defined benefit scheme are recognised in the Statement of Financial Activities in recognised gains and losses for the period.

The College also operates a defined contribution scheme. The assets of this scheme are held separately from those of the College in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the College to the fund. The College has no liability under this scheme other than for the payment of those contributions.

**2 Income from donations and legacies**

	2019				2018			
	Endowment £	Unrestricted £	Restricted £	Total £	Endowment £	Unrestricted £	Restricted £	Total £
Gifts & Donations	-	356,298	568,478	924,776	-	-	143,105	143,105
Legacies	-	66,250	-	66,250	-	2,010	-	2,010
	-	422,548	568,478	991,026	-	2,010	143,105	145,115

Gifts & donations represent income from fundraising activities.

**3 Income from charitable activities**

	2019				2018			
	Endowment £	Unrestricted £	Restricted £	Total £	Endowment £	Unrestricted £	Restricted £	Total £
Conferences, Congress and meetings	-	3,946,636	-	3,946,636	-	2,166,638	-	2,166,638
Examinations	-	3,550,100	-	3,550,100	-	2,903,247	-	2,903,247
International initiatives	-	172,500	-	172,500	-	110,000	-	110,000
Membership services	-	4,266,778	-	4,266,778	-	4,165,386	-	4,165,386
Clinical quality	-	446,945	929,630	1,376,575	-	143,712	1,045,372	1,189,084
Education and training initiatives	-	369,384	-	369,384	-	622,672	-	622,672
Leading Safe Choices	-	-	-	-	-	-	715,365	715,365
National Guideline Alliance	-	-	3,589,676	3,589,676	-	-	3,261,533	3,261,533
British Journal of Gynaecology	-	956,082	-	956,082	-	1,136,150	-	1,136,150
Sub-total from charitable activities	-	13,708,425	4,519,306	18,227,731	-	11,247,805	5,022,270	16,270,075

**4 Income from other trading activities**

	2019				2018			
	Endowment £	Unrestricted £	Restricted £	Total £	Endowment £	Unrestricted £	Restricted £	Total £
Venue hire and catering	-	1,576,159	-	1,576,159	-	1,494,600	-	1,494,600
Accommodation and service charges	-	256,732	-	256,732	-	208,145	-	208,145
	-	1,832,891	-	1,832,891	-	1,702,745	-	1,702,745

**5 Income from investments**

	2019				2018			
	Endowment £	Unrestricted £	Restricted £	Total £	Endowment £	Unrestricted £	Restricted £	Total £
Newton Real Return Income Fund	18,746	-	112,468	131,214	19,488	-	122,181	141,669
BIJF Dynamic Diversified Growth Fund	6,062	83,393	-	89,455	3,569	35,005	-	38,574
Sarasins	-	164,338	-	164,338	-	140,536	-	140,536
Other Investments	-	22,694	-	22,694	-	45,845	-	45,845
	24,808	270,425	112,468	407,701	23,057	221,386	122,181	366,624

6 Trading Income and Expenditure

The College owns 100% of RCOG Trading Limited, whose main activities include the hire of facilities owned by the Royal College of Obstetricians and Gynaecologists and the provision of catering. It donates its taxable profits to the College under gift aid. Trading results extracted from its audited financial statements are shown below:

	2019	2018
	£	£
<b>Profit and loss account</b>		
<b>Turnover</b>	1,620,979	1,494,600
Turnover from sales to parent undertaking	-	48,915
Cost of sales	<u>(824,694)</u>	<u>(711,481)</u>
<b>Gross profit</b>	796,285	832,034
<b>Administrative expenses</b>	(22,739)	(13,676)
Management charge due to parent undertaking	<u>(279,949)</u>	<u>(265,758)</u>
<b>Operating profit</b>	<u>493,597</u>	<u>552,600</u>
Profit on ordinary activities before taxation	493,597	552,600
Taxation	-	-
Profit on ordinary activities after taxation	493,597	552,600
Gift aid donation to Royal College of Obstetricians and Gynaecologists	<u>(493,597)</u>	<u>(552,600)</u>
Profit for the financial period	<u>-</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:	2019	2018
	£	£
Assets	212,469	250,575
Liabilities	<u>(212,467)</u>	<u>(250,573)</u>
Funds	<u>2</u>	<u>2</u>

Amounts owed to/from the parent undertaking are shown in Note 17 (2018: Note 17)

Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2019	2018
	£	£
Gross income	20,331,967	18,484,559
Results for the year	<u>302,668</u>	<u>200,353</u>

7a Analysis of expenditure (current year)

	Charitable activities														2019 £	2018 £
	Cost of raising funds £	Conferences, Congress and Meetings £	Examinations £	International initiatives £	Membership services £	Clinical Quality £	Education and Training Initiatives £	Leading Safe Choices £	National Guideline Alliance £	British Journal of Gynaecology £	Other restricted funds £	Other trading activities £	Governance costs £	Support costs £		
Staff costs (Note 9)	201,799	465,776	407,043	203,413	1,864,384	833,773	393,211	400,767	2,509,263	-	642,383	-	-	2,038,745	<b>9,960,557</b>	10,477,757
Direct costs (Note 7a)	61,255	2,150,579	995,750	150,085	1,077,983	198,825	113,394	510,388	515,503	439,469	542,857	889,313	95,629	-	<b>7,741,030</b>	6,284,301
Support costs																
Officers, Council and Administration		-	-	-	-	-	-	-	-	-	-	-	-	600,634	<b>600,634</b>	551,177
Finance		-	-	-	-	-	-	-	-	-	-	-	-	294,660	<b>294,660</b>	267,542
Facilities and Premises		-	-	-	-	-	-	-	-	-	-	-	-	1,409,436	<b>1,409,436</b>	815,435
Other:																
Depreciation/IT/HR & Pension		-	-	-	-	-	-	-	-	-	-	-	-	943,875	<b>943,875</b>	774,048
	<u>263,054</u>	<u>2,616,355</u>	<u>1,402,793</u>	<u>353,498</u>	<u>2,942,367</u>	<u>1,032,598</u>	<u>506,605</u>	<u>911,155</u>	<u>3,024,766</u>	<u>439,469</u>	<u>1,185,240</u>	<u>889,313</u>	<u>95,629</u>	<u>5,287,350</u>	<u>20,950,192</u>	<u>19,170,260</u>
Support costs	65,022	686,881	525,362	293,936	2,340,150	561,049	458,079	-	-	136,210	-	220,661	-	(5,287,350)	-	-
Governance costs	1,089	11,978	8,167	5,662	42,544	10,399	8,657	-	-	2,722	-	4,410	(95,629)	-	-	-
<b>Total expenditure 2019</b>	<b><u>329,165</u></b>	<b><u>3,315,214</u></b>	<b><u>1,936,322</u></b>	<b><u>653,096</u></b>	<b><u>5,325,061</u></b>	<b><u>1,604,046</u></b>	<b><u>973,341</u></b>	<b><u>911,155</u></b>	<b><u>3,024,766</u></b>	<b><u>578,401</u></b>	<b><u>1,185,240</u></b>	<b><u>1,114,384</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>20,950,192</u></b>	<b><u>19,170,260</u></b>
Total expenditure 2018	85,422	1,786,545	1,520,892	602,066	4,717,343	1,200,930	1,406,754	1,920,323	3,287,908	552,434	1,141,259	948,384	-	-	19,170,260	

## 7b Analysis of expenditure (prior year)

	Cost of raising funds	Charitable activities											Support costs	2018	18 months to 30 June 2017	
		Conferences, Congress and Meetings	Examinations	International initiatives	Membership services	Clinical Quality	Education and Training Initiatives	Leading Safe Choices	National Guideline Alliance	British Journal of Gynaecology	Other restricted funds	Other trading activities				Governance costs
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 9)	71,626	398,225	385,054	147,474	1,866,566	723,074	613,033	1,142,150	2,487,061	-	590,527	-	-	2,052,967	<b>10,477,757</b>	14,289,728
Direct costs (Note 7 a)	13,796	853,349	707,943	163,284	872,460	116,887	178,603	778,173	800,847	429,027	550,732	748,464	70,736	-	<b>6,284,301</b>	9,688,229
Support costs																
Officers, Council and Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	551,177	<b>551,177</b>	866,756
Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	267,542	<b>267,542</b>	318,485
Facilities and Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	815,435	<b>815,435</b>	916,259
Other:																
Depreciation/IT/HR & Pension	-	-	-	-	-	-	-	-	-	-	-	-	-	774,048	<b>774,048</b>	1,134,509
	<b>85,422</b>	<b>1,251,574</b>	<b>1,092,997</b>	<b>310,758</b>	<b>2,739,026</b>	<b>839,961</b>	<b>791,636</b>	<b>1,920,323</b>	<b>3,287,908</b>	<b>429,027</b>	<b>1,141,259</b>	<b>748,464</b>	<b>70,736</b>	<b>4,461,169</b>	<b>19,170,260</b>	<b>27,213,966</b>
Support costs	-	527,179	422,267	286,416	1,947,669	355,125	604,858	-	-	121,242	-	196,413	-	(4,461,169)	-	-
Governance costs	-	7,792	5,628	4,892	30,648	5,844	10,260	-	-	2,165	-	3,507	(70,736)	-	-	-
<b>Total expenditure 2018</b>	<b>85,422</b>	<b>1,786,545</b>	<b>1,520,892</b>	<b>602,066</b>	<b>4,717,343</b>	<b>1,200,930</b>	<b>1,406,754</b>	<b>1,920,323</b>	<b>3,287,908</b>	<b>552,434</b>	<b>1,141,259</b>	<b>948,384</b>	<b>-</b>	<b>-</b>	<b>19,170,260</b>	<b>27,213,966</b>
Total expenditure 18 months to 30 June 2017	143,030	2,538,295	1,999,024	921,872	6,077,934	1,839,760	2,436,980	2,699,400	5,039,554	924,430	1,307,200	1,286,487	-	-	27,213,966	

**7a Direct costs comprise:**

**Conferences and meetings**

Includes venue and catering costs, course materials and Congress expenditure.

**Examinations**

Includes fees for examiners, invigilators and role players; venue costs for external exam centres; costs for printing and preparation of exam papers.

**International initiatives**

Costs associated with the delivery of international projects; expenditure associated with International Liaison groups and the International Executive committee.

**Fellows and members**

Includes costs of member services; journals & e-publishing (excl BJOG); eLearning resources expenditure; media and policy expenditure.

**Clinical quality**

Includes costs of producing and printing guidelines; costs of providing review services to Trusts; expenditure on grant funded projects.

**Education and training**

Costs incurred for the development and ongoing review of educational resources and associated marketing.

**Leading Safe Choices**

Costs incurred for the delivery of the LSC project.

**NGA**

Costs incurred in delivering NICE guidelines women and children's health, mental health and cancer.

**BJOG**

Includes editorial costs, publication costs and distribution costs.

**Other restricted funds**

Costs incurred in the delivery of restricted activity.

## Notes to the financial statements

For the year ended 30 June 2019

**8 Net income / (expenditure) for the period**

This is stated after charging / (crediting):

	2019 £	2018 £
Depreciation	287,431	220,449
Loss or (profit) on disposal of fixed assets	-	-
Operating lease rentals:		
Land	300,000	200,000
Other	24,462	30,122
Auditors' remuneration (excluding VAT):		
Audit (college)	22,000	21,000
Audit (subsidiary)	5,200	5,100
Other services	2,155	2,420

**9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2019 £	2018 £
Salaries and wages	8,510,005	8,939,946
Redundancy and termination costs	97,045	219,253
Social security costs	842,614	825,956
Employer's contribution to defined contribution pension schemes	510,893	492,602
	<b>9,960,557</b>	<b>10,477,757</b>

The following number of employees received employee benefits (excluding employer pension costs) during the period between:

	2019 No.	2018 No.	2017 No.
£60,001-£70,000	7	4	13
£70,001-£80,000	7	6	12
£80,001-£90,000	3	3	6
£90,001-£100,000	-	-	1
£110,001-£120,000	1	1	-
£120,001-£130,000	-	1	-
£130,001-£140,000	-	1	1

The 2017 numbers represent an 18 month period and represent the total employee benefits received for that period and therefore appear higher than normal.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £640,137 (2018: £609,913).

The board of management were not paid or received any other benefits from employment with the charity in the period (2018: £nil). No member of the board of management received payment for professional or other services supplied to the charity (2018: £nil).

Board of managements' expenses represents the payment or reimbursement of travel and subsistence costs totalling £224,488 (2018: £273,719) incurred by 44 (2018: 59) members relating to attendance at meetings of the trustees and Council.

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2019 No.	2018 No.
Raising funds	2.0	2.0
Conferences & Meetings	12.0	9.0
Examinations	8.0	6.0
International Initiative	7.0	8.0
Membership services	38.0	34.0
Clinical Quality	27.0	26.0
Education and training initiatives	18.0	15.0
NGA	50.0	48.0
BJOG	2.0	2.0
Support	43.0	43.0
Governance	1.0	1.0
	<b>208.0</b>	<b>194.0</b>

**11 Related party transactions**

Related party transactions for the financial year were split between sales and purchase ledger transactions. These were payments to Council members as follows; K Brian £10,000 for chairing the Women's Network; C Nestor £1,000 honorarium for vice chairing the Women's Network. FIGO also invoiced RCOG for £300 for room hire during the year. (2018: £17,570). RCOG also recharged FIGO £610,748 during 18/19 for payroll costs.

Aggregate donations from related parties were £6,500 (2018: £515).

**12 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary RCOG Limited gift aids available profits to the parent charity.

**13 Tangible fixed assets****For the group and charity**

	Freehold buildings £	Plant, furniture and equipment £	Donated assets £	Total £
<b>Cost</b>				
At the start of the period	38,036,411	2,730,810	300,000	41,067,221
Additions in period	6,006,132	448,429	-	6,454,561
At the end of the period	44,042,543	3,179,239	300,000	47,521,782
<b>Depreciation</b>				
At the start of the period	-	2,024,885	-	2,024,885
Charge for the period	-	287,431	-	287,431
At the end of the period	-	2,312,316	-	2,312,316
<b>Net book value</b>				
At the end of the period	44,042,543	866,923	300,000	45,209,466
At the start of the period	38,036,411	705,925	300,000	39,042,336

All of the above assets are used for charitable purposes.

In December 2017 the College purchased a freehold property in Union Street, London Bridge which will become the College's new headquarters. The costs of purchase and fit out to date have been capitalised and will be depreciated when the works are complete and the building is in use.

**14 Heritage Assets**

The College maintains a number of historic assets held for their heritage, scientific importance and contribution to the educational advancement in women's health. These items hold an intrinsic value to the business of the College.

The Heritage items mainly include books, sculptured busts and portraits of past Presidents and instruments used in the historic application and study of Obstetricians and Gynaecologists. Many of the portraits remain on display around the College and a small sample of the instruments held form part of the display in the College museum. The remaining collections are held in appropriate environmentally controlled conditions on the premises.

The College maintains a central electronic catalogue of Heritage items which is reviewed and updated at least annually by the Operations Director and Archivist & Records Manager.

Council does not believe that a reasonable valuation can be placed on those donated assets which are held as heritage assets and which have not been capitalised.

Expenditure which, in the Trustees view, is required to preserve or clearly prevent further deterioration of individual collection items is recognised in the statement of financial activities when incurred.

Because of the uniqueness, substance and direct affiliation of these heritage assets with the College, conventional market valuation would lack the true value imparted and comparisons on which to base this value are unlikely to be reflected in the open market. As a result, these items are not recognised in the balance sheet of the College.

**15 Listed investments**

	The group 2019 £	2018 £
<b>Consolidated</b>		
Fair value at the start of the period	14,865,231	16,255,369
Additions at cost	954,798	297,719
Disposal proceeds	(2,758,228)	(1,652,911)
Net gain / (loss) on change in fair value	544,094	(34,946)
	<u>13,605,895</u>	<u>14,865,231</u>
Fair value at the end of the period	<u>13,605,895</u>	<u>14,865,231</u>
Historic cost at the end of the period	<u>13,658,381</u>	<u>14,034,642</u>

Investments comprise:

	The group 2019 £	2018 £
UK based unit trusts	3,753,837	3,416,068
UK based equity funds	9,817,693	11,043,566
Overseas equities/other funds	33,051	404,510
Cash awaiting re-investment	1,313	1,087
	<u>13,605,894</u>	<u>14,865,231</u>

**16 Debtors**

	The group		The charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	2,284,086	874,571	2,055,994	689,734
Amount owed by subsidiary	-	-	60,407	-
Amounts receivable in respect of sale of lease and other debtors	3,182,795	10,611,944	3,144,860	10,580,771
Prepayments and accrued income	335,071	425,133	335,073	425,133
	<u>5,801,952</u>	<u>11,911,648</u>	<u>5,596,334</u>	<u>11,695,638</u>

With the exception of listed investments and debtors due in more than one year all of the charity's financial instruments, both assets and liabilities, are measured at amortised cost.

## Notes to the financial statements

For the year ended 30 June 2019

## 17 Creditors: amounts falling due within one year

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Amounts due under finance leases	-	-	-	-
Trade creditors	868,143	687,209	798,353	633,649
Amounts owed to subsidiary	-	-	-	28,495
Taxation and social security	362,152	504,273	371,025	491,916
Accruals	1,958,609	834,388	1,951,344	827,685
Deferred income	3,487,067	3,169,844	3,342,779	2,999,937
Bank loans	10,000,000	10,000,000	10,000,000	10,000,000
	<u>16,675,971</u>	<u>15,195,714</u>	<u>16,463,501</u>	<u>14,981,682</u>

## 18 Creditors: amounts falling due after one year

	2019	2018	2019	2018
	£	£	£	£
Bank loans repayable in 1-2 years	-	3,000,000	-	3,000,000
	<u>-</u>	<u>3,000,000</u>	<u>-</u>	<u>3,000,000</u>

Bank loans totalling £10,000,000 (2018: £13,000,000) are secured against 10-18 Union Street, London. Interest is charged at 1.45% above LIBOR.

## 19 Deferred income

	2019	2018	2019	2018
	£	£	£	£
Balance at the beginning of the period	3,169,844	2,971,692	2,999,937	2,832,158
Amount released to income in the period	(3,169,844)	(2,971,692)	(2,999,937)	(2,832,158)
Amount deferred in the period	3,487,067	3,169,844	3,342,779	2,999,937
Balance at the end of the period	<u>3,487,067</u>	<u>3,169,844</u>	<u>3,342,779</u>	<u>2,999,937</u>

Deferred income largely comprises deferred membership and journal income relating to the next financial year.

## 20 Debtors: amounts due after one year

	The group		The charity	
	2019	2018	2019	2018
	£	£	£	£
Receivable in 1-2 years	-	3,000,000	3,000,000	3,000,000
Receivable in 2-5 years	-	-	-	-
	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>

Debtors due after one year relate to amounts receivable in respect of the sale of the Sussex Place Lease.

## Notes to the financial statements

For the year ended 30 June 2019

## 21a Analysis of group net assets between funds (current period)

	General unrestricted £	Designated £	Pension £	Endowment £	Restricted £	Total funds £
Tangible fixed assets	639,249	44,570,217	-	-	-	45,209,466
Investment properties	-	-	-	-	-	-
Investments	5,015,677	-	-	3,906,240	4,683,978	13,605,895
Net current assets	1,217,833	(925,941)	-	-	2,000,243	2,292,135
Long term debtors	-	-	-	-	-	-
Long Term Creditors	-	-	-	-	-	-
Defined benefit pension asset / (liability)	-	-	(1,463,000)	-	-	(1,463,000)
Net assets at the end of the period	<b>6,872,759</b>	<b>43,644,276</b>	<b>(1,463,000)</b>	<b>3,906,240</b>	<b>6,684,221</b>	<b>59,644,496</b>

## 21b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated £	Pension £	Endowment £	Restricted £	Total funds £
Tangible fixed assets	534,465	38,507,871	-	-	-	39,042,336
Investment properties	-	-	-	-	-	-
Investments	6,389,098	-	-	3,869,656	4,606,477	14,865,231
Net current assets	(781,490)	4,687,367	-	-	2,104,801	6,010,678
Long term debtors	-	3,000,000	-	-	-	3,000,000
Long Term Creditors	-	(3,000,000)	-	-	-	(3,000,000)
Defined benefit pension asset / (liability)	-	-	(1,120,000)	-	-	(1,120,000)
Net assets at the end of the period	<b>6,142,073</b>	<b>43,195,238</b>	<b>(1,120,000)</b>	<b>3,869,656</b>	<b>6,711,278</b>	<b>58,798,245</b>

## Notes to the financial statements

For the year ended 30 June 2019

## 22a Movements in funds – permanent endowments (current period)

	At 1 July 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2019 £
<b>Permanent Endowments</b>					
Edgar Research – Jean Ethel Gentili	518,149	20,566	–	(2,015)	536,700
Florence and William Blair Bell	1,062,329	42,165	–	–	1,104,494
Sims Black Travelling Professors Fund	477,108	18,937	–	(1,856)	494,189
Thomas Watts Eden Fellowship	252,789	10,033	–	(984)	261,838
Green Armytage and Spackman Travelling	30,564	1,213	–	(1,044)	30,733
Green Armytage Anglo American	28,794	1,143	–	–	29,937
Tim Chard Prize Fund	30,045	1,193	–	–	31,238
Florence Blair–Bell Art Fund	21,386	849	–	(83)	22,152
William Blair–Bell Memorial	27,604	1,096	–	–	28,700
Victor Bonney Prize Fund	26,316	1,045	–	–	27,361
James Wyatt Dining Fund	14,601	580	–	–	15,181
JY Simpson Oration	2,048	81	–	(9)	2,120
William Meredith Fletcher Shaw	13,053	518	–	–	13,571
Sir Eardley Holland Medal fund	4,175	166	–	(17)	4,324
	2,508,961	99,585	–	(6,008)	2,602,538
<b>Expendable Endowments</b>					
President's Fund	171,223	9,525	–	–	180,748
President's Global Health Fund	282,666	15,723	–	–	298,389
Ethicon Foundation Fund	135,755	5,388	–	–	141,143
Lindsay Stewart Fund	771,051	62,371	–	(150,000)	683,422
	1,360,695	93,007	–	(150,000)	1,303,702
<b>Total endowment funds</b>	<b>3,869,656</b>	<b>192,592</b>	<b>–</b>	<b>(156,008)</b>	<b>3,906,240</b>

## 22b Movements in funds – permanent endowments (prior year)

	At 1 July 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2018 £
<b>Permanent Endowments</b>					
Edgar Research – Jean Ethel Gentili	514,290	–	(11,473)	15,332	518,149
Florence and William Blair Bell	1,086,569	–	(24,240)	–	1,062,329
Sims Black Travelling Professors Fund	473,554	–	(10,564)	14,118	477,108
Thomas Watts Eden Fellowship	250,905	–	(5,597)	7,481	252,789
Green Armytage and Spackman Travelling	30,364	–	(677)	877	30,564
Green Armytage Anglo American	29,451	–	(657)	–	28,794
Tim Chard Prize Fund	30,731	–	(686)	–	30,045
Florence Blair–Bell Art Fund	21,227	–	(474)	633	21,386
William Blair–Bell Memorial	28,234	–	(630)	–	27,604
Victor Bonney Prize Fund	26,916	–	(600)	–	26,316
James Wyatt Dining Fund	14,934	–	(333)	–	14,601
JY Simpson Oration	2,032	–	(45)	61	2,048
William Meredith Fletcher Shaw	13,351	–	(298)	–	13,053
Sir Eardley Holland Medal fund	4,143	–	(92)	124	4,175
	2,526,701	–	(56,366)	38,626	2,508,961
<b>Expendable Endowments</b>					
President's Fund	172,147	2,916	(3,840)	–	171,223
President's Global Health Fund	284,191	4,815	(6,340)	–	282,666
Ethicon Foundation Fund	138,853	–	(3,098)	–	135,755
Lindsay Stewart Fund	755,998	15,326	(273)	–	771,051
	1,351,189	23,057	(13,551)	–	1,360,695
<b>Total endowment funds</b>	<b>3,877,890</b>	<b>23,057</b>	<b>(69,917)</b>	<b>38,626</b>	<b>3,869,656</b>

**22 Movements in funds – permanent endowments (continued)**

**Purposes of permanent endowments**

**Edgar Research – Jean Ethel Gentilli Scholarship**

For the purpose of education and or research in obstetrics and or gynaecology.

**Florence and William Blair–Bell Memorial Fund**

To fund fellowships with the object of bridging the widening gap between scientific research and clinical practice.

**Sims Black Travelling Fund**

For the provision of travel awards to lecture, teach or engage in research in Obstetrics or Gynaecology.

**Thomas Watts Eden Fellowship**

For the provision of travelling expenses of medical graduates of not less than two years standing to any approved UK or Commonwealth University for participation in a research project.

**Green Armytage and Spackman Travelling Scholarship Fund**

To fund a scholarship to encourage the study and to advance the science and art of obstetrics and gynaecology.

**Green Armytage Anglo American**

To award a lectureship biennially, alternatively between a British and an American lecturer.

**Tim Chard Prize fund**

To fund the Tim Chard Case History Prize endowed by St Bartholomew Hospital Trust and the Royal London School of Medicine and Dentistry to mark the late Professor Tim Chard's contribution to 3q3 Obstetrics and Gynaecology.

**Florence Blair–Bell Art fund**

To purchase antique furniture, ornaments, pictures and books printed before 1937.

**William Blair–Bell Memorial**

To pay honorariums and contribute to travelling expenses for two lectures.

**Victor Bonney Prize fund**

To pay honorariums and contribute to travelling expenses for two lectures.

**James Wyatt Dining fund**

To provide a dinner for the Council every 2 years.

**JY Simpson Oration fund**

To fund the delivery of an annual lecture.

**William Meredith Fletcher Shaw Memorial Lectureship**

For awarding a lectureship to a senior Fellow of the College.

**Sir Eardley Holland Medal fund**

For awarding a gold medal once every five years for outstanding original work.

**Purposes of expendable endowments**

**President's Fund**

To fund exceptional items of expenditure at the President's discretion.

**President's Global Health fund**

The fund is to be used to pump prime the initiation of the RCOG International fundraising strategy.

**Ethlcon Foundation Fund**

For the provision of travel awards to enable members to attend postgraduate training courses, centres for research and similar.

**Lindsay Stewart Research and Development Fund**

To support the ongoing and future health service research activities of the College.

## 23a Movements in funds – restricted funds (current period)

	At 1 July 2018 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2019 £
<b>Restricted funds:</b>					
<b>Scholarship and lecture funds</b>					
Lockyer Travelling Fellowship	524,307	29,164	(43,968)	–	509,503
Bernhard Baron Scholarship Fund	336,639	18,725	(10,409)	–	344,955
Sims Black Travelling Professors Fund	799,232	52,057	(34,592)	1,856	818,553
Thomas Watts Eden Fellowship	54,639	7,067	(621)	984	62,069
Other Funds	159,875	10,486	(8,714)	1,044	162,691
	<u>1,874,692</u>	<u>117,499</u>	<u>(98,304)</u>	<u>3,884</u>	<u>1,897,771</u>
<b>Research funds</b>					
Sir William Gilliatt Memorial Fund	32,697	1,819	(327)	–	34,189
Edgar Research–Jean Ethel Gentilli	2,019,190	120,569	(134,473)	2,015	2,007,301
Florence and William Blair–Bell Memorial Fund	220,819	29,208	(119)	–	249,908
	<u>2,272,706</u>	<u>151,596</u>	<u>(134,919)</u>	<u>2,015</u>	<u>2,291,398</u>
<b>Other special purpose funds</b>					
Marjorie Kuck	19,422	–	(194)	–	19,228
Millenium Endometriosis Fund	16,412	913	(3,265)	–	14,060
Trusts (Capital)		500,000			500,000
Leading Safe Choices	1,119,148	(83,016)	(911,154)	(124,979)	–
Lindsay Stewart Centre and related activities	429,621	935,451	(856,379)	150,000	658,693
Other funds	423,245	50,750	(12,583)	109	461,521
	<u>2,007,848</u>	<u>1,404,098</u>	<u>(1,783,575)</u>	<u>25,130</u>	<u>1,653,502</u>
<b>Government grants</b>					
National Guidelines Alliance	434,588	3,589,676	(3,276,327)	–	747,937
EFL	98,163	–	(7,478)	–	90,685
THET	19,531	19,633	(39,986)	–	(822)
Other	3,750	–	–	–	3,750
	<u>556,032</u>	<u>3,609,309</u>	<u>(3,323,791)</u>	<u>–</u>	<u>841,550</u>
<b>Total restricted funds</b>	<u>6,711,278</u>	<u>5,282,502</u>	<u>(5,340,589)</u>	<u>31,029</u>	<u>6,684,221</u>

## Notes to the financial statements

For the year ended 30 June 2019

## 23b Movements in funds – restricted funds (prior year)

	At 1 July 2017 £	Income & gains £	Expenditure & losses £	Transfers £	At 30 June 2018 £
<b>Restricted funds:</b>					
<b>Scholarship and lecture funds</b>					
Lockyer Travelling Fellowship	572,155	9,693	(57,541)	-	524,307
Bernhard Baron Scholarship Fund	349,848	5,927	(19,136)	-	336,639
Sims Black Travelling Professors Fund	824,016	21,982	(32,648)	(14,118)	799,232
Thomas Watts Eden Fellowship	58,773	5,246	(1,899)	(7,481)	54,639
Other Funds	166,865	14,545	(20,658)	(877)	159,875
	<u>1,971,657</u>	<u>57,393</u>	<u>(131,882)</u>	<u>(22,476)</u>	<u>1,874,692</u>
<b>Research funds</b>					
Sir William Gilliatt Memorial Fund	35,005	593	(2,901)	-	32,697
Edgar Research–Jean Ethel Gentilli	2,163,911	45,372	(174,761)	(15,332)	2,019,190
Florence and William Blair–Bell Memorial	206,673	21,909	(7,763)	-	220,819
	<u>2,405,589</u>	<u>67,874</u>	<u>(185,425)</u>	<u>(15,332)</u>	<u>2,272,706</u>
<b>Other special purpose funds</b>					
Marjorie Kuck	19,618	-	(196)	-	19,422
Millenium Endometriosis Fund	18,830	319	(2,737)	-	16,412
Leading Safe Choices	2,365,013	715,365	(1,961,230)	-	1,119,148
Lindsay Stewart Centre and related activities	262,445	1,009,857	(842,681)	-	429,621
Other funds	445,527	63,078	(84,542)	(818)	423,245
	<u>3,111,433</u>	<u>1,788,619</u>	<u>(2,891,386)</u>	<u>(818)</u>	<u>2,007,848</u>
<b>Government grants</b>					
National Guidelines Alliance	460,964	3,261,533	(3,287,909)	-	434,588
EFL	89,485	37,015	(28,337)	-	98,163
THET	(2,306)	75,122	(53,285)	-	19,531
Other	3,750	-	-	-	3,750
	<u>551,893</u>	<u>3,373,670</u>	<u>(3,369,531)</u>	<u>-</u>	<u>556,032</u>
<b>Total restricted funds</b>	<u>8,040,572</u>	<u>5,287,556</u>	<u>(6,578,224)</u>	<u>(38,626)</u>	<u>6,711,278</u>

**23 Movements in funds – restricted funds (continued)**

**Purposes of restricted funds**

**Scholarship and Lecture Funds**

**Lockyer Travelling Fellowship**

To fund College travel and facilitate links with Fellows and Members.

**Bernhard Baron Scholarship fund**

A fund for the provision of travel awards to Fellows and Members.

**Sims Black Travelling Professors fund**

To enable practicing obstetricians and gynaecologists to travel to countries of the Commonwealth to further the aims of the College.

**Thomas Watts Eden Fellowship**

A fund for the provision of travel awards to Fellows and Members.

**Research funds**

**Sir William Gilliatt Memorial fund**

To encourage research in all aspects of Obstetrics and Gynaecological medicine.

**Edgar Research – Jean Ethel Gentilli**

To fund education and or research into Obstetrics and or Gynaecology.

**Florence and William Blair–Bell Memorial fund**

For the upkeep and maintenance of 27 Sussex Place.

**Other Special Purpose Grants**

**Marjorie Kuck Millennium**

For research into the medical problems of Obstetrics.

**Endometriosis fund**

To stimulate and encourage research in the field of endometriosis. Alternatively to provide a contribution towards a travelling fellowship to attend a recognised training centre.

**Leading Safe Choices**

Funding received to run a 3 year family planning pilot programme in South Africa and Tanzania.

**Lindsay Stewart Centre and related activities**

Funding for the Lindsay Stewart Centre for Audit and Clinical Informatics, incorporating funding for the National Maternity and Perinatal Audit, Each Baby Counts and the OASI Care Bundle.

**Trusts (Capital)**

Grants from Trusts & Foundations to support the Union Street capital project.

**Government Grants**

**NGA**

This represents funding provided by NICE for guideline production. In April 2016, the National Guideline Alliance was launched and produces guidelines for women and children's healthcare, mental health care and cancer care.

**EFL**

Funds received for the development and delivery of the electro fetal monitoring programme.

**THET**

Grant secured from the Tropical Health and Education Trust (funded by UK Aid) to fund an education programme at Kitovu hospital in the Masaka District of Uganda.

**Other funds**

After a review of fund balances brought forward from 2014, it has been determined that a number of funds can now be released to general funds as their purpose is now complete and the balances represent overhead recoveries or expenditure absorbed by general funds.

## Notes to the financial statements

For the year ended 30 June 2019

## 24a Movements in funds – designated funds (current period)

	At 1 July 2018	Income & gains	Expenditure & losses	Transfers	At 30 June 2019
	£	£	£	£	£
<b>Designated funds</b>					
Property fund	41,597,633	-	-	(12,000)	41,585,633
Overseas fund	214,888	-	(2,500)	(100,000)	112,388
Heritage Fund	300,000	-	-	-	300,000
Repairs & Maintenance Funds	44,461	-	(1,476)	-	42,985
Transition Fund	-	-	-	400,000	400,000
John Lawson Fund	27,023	-	-	-	27,023
Herbert Erik Reiss Memorial Fund	13,531	-	(600)	-	12,931
Edgar Gentilli Research Fund	8,177	-	(600)	-	7,577
Maternal 3rd World Care	1,909	-	-	-	1,909
Video Conferencing fund	171,460	-	-	-	171,460
Long term liability Fund	701,476	-	-	200,000	901,476
Trainees Committee Fund	24,680	-	-	-	24,680
Business Intelligence Development	90,000	-	(33,786)	-	56,214
<b>Total designated funds</b>	<b>43,195,238</b>	<b>-</b>	<b>(38,962)</b>	<b>488,000</b>	<b>43,644,276</b>
General funds	6,142,073	16,518,521	(15,424,814)	(363,021)	6,872,759
<b>Total unrestricted funds</b>	<b>49,337,311</b>	<b>16,518,521</b>	<b>(15,463,776)</b>	<b>124,979</b>	<b>50,517,035</b>
Pension fund	(1,120,000)	(207,000)	(136,000)	-	(1,463,000)
<b>Total funds including pension fund</b>	<b>48,217,311</b>	<b>16,311,521</b>	<b>(15,599,776)</b>	<b>124,979</b>	<b>49,054,035</b>

## 24b Movements in funds – designated funds (prior period)

	At 1 July 2017	Income & gains	Expenditure & losses	Transfers	At 30 June 2018
	£	£	£	£	£
<b>Designated funds</b>					
Property fund	41,797,633	-	-	(200,000)	41,597,633
Overseas fund	344,888	-	-	(130,000)	214,888
Heritage Fund	300,000	-	-	-	300,000
Repairs & Maintenance Funds	66,585	-	(22,124)	-	44,461
Leasehold Uplift	-	-	-	-	-
John Lawson Fund	27,173	-	(150)	-	27,023
Herbert Erik Reiss Memorial Fund	14,131	-	(600)	-	13,531
Edgar Gentilli Research Fund	8,927	-	(750)	-	8,177
Maternal 3rd World Care	1,909	-	-	-	1,909
Video Conferencing fund	185,109	-	-	(13,649)	171,460
Long term liability Fund	451,476	-	-	250,000	701,476
Trainees Committee Fund	24,680	-	-	-	24,680
Business Intelligence Development	-	-	-	90,000	90,000
<b>Total designated funds</b>	<b>43,222,511</b>	<b>-</b>	<b>(23,624)</b>	<b>(3,649)</b>	<b>43,195,238</b>
General funds	5,445,919	13,352,675	(12,660,170)	3,649	6,142,073
<b>Total unrestricted funds</b>	<b>48,668,430</b>	<b>13,352,675</b>	<b>(12,683,794)</b>	<b>-</b>	<b>49,337,311</b>
Pension fund	(1,989,000)	921,000	(52,000)	-	(1,120,000)
<b>Total funds including pension fund</b>	<b>46,679,430</b>	<b>14,273,675</b>	<b>(12,735,794)</b>	<b>-</b>	<b>48,217,311</b>

**24 Movements in funds – designated funds (continued)**

**Purposes of designated funds**

**Property fund**

Representing the net book value of property in use by the College in furtherance of its charitable activities.

**Overseas fund**

For the provision of travel for overseas Members of the College to undertake further training in the UK.

**Heritage fund**

These funds represent those assets donated to the College at their market value.

**Education fund**

Representing amounts set aside for the capital spend on educational facilities.

**Repairs & Maintenance funds**

Representing the amounts set aside for future repair work on the property and replacement furnishings.

**Transition Fund**

Funds designated by the Board to meet any additional/unexpected costs incurred during the move from Sussex Place to Union Street.

**John Lawson fund**

For the award of a Prize awarded to the candidate who provides the best article on a topic of O&G derived from work carried out in Africa.

**Herbert Erik Reiss Memorial fund**

For the award of a Prize for junior doctors working in Foundation Yrs 1 and 2 or Specialist Training years 1 & 2 in the UK and ROI.

**Edgar Gentilli Research fund**

To generate income to fund an annual Prize in perpetuity.

**Maternal 3rd World Care**

To subsidise the production costs of a RCOG Press book called “Maternity Services in the Developing World”.

**Video Conferencing**

Provision to contribute to the design and rebuild of the College website. In 2016 the Board redesignated this fund to support the Video Conferencing project.

**Long term liability fund.**

Funds designated by the Board to manage future pension and estate planning.

**Trainees’ Committee Fund**

Funds designated by the Board for use by the Trainees’ Committee.

**Business Intelligence Development Fund**

Funds designated by the Board to support the work of the BI department.

## 25 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2019 £	2018 £
<b>Net income for the reporting period (as per the statement of financial activities)</b>	<b>1,053,251</b>	<b>(720,647)</b>
Depreciation charges	287,431	220,449
(Gains)/losses on investments	(544,094)	34,946
Dividends and interest from investments	(407,701)	(366,624)
(Profit)/loss on the disposal of fixed assets	-	-
(Increase)/decrease in stocks	3,299	7,290
(Increase)/decrease in debtors	9,109,696	19,567,903
Increase/(decrease) in creditors	(1,519,743)	375,866
Pension adjustments	136,000	52,000
<b>Net cash provided by operating activities</b>	<b>8,118,139</b>	<b>19,171,183</b>

## 26 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases are as follows for each of the following periods:

	Property		Equipment	
	2019	2018	2019	2018
	£	£	£	£
Less than 1 year	200,000	300,000	29,972	29,972
1 – 5 Years	-	200,000	67,437	97,409
	<b>200,000</b>	<b>500,000</b>	<b>97,409</b>	<b>127,381</b>

## 27 Pension Costs

*Defined Contribution Scheme*

The College operates a pension scheme based on defined contributions. The assets of the scheme are held separate from those of the College and are invested in exempt approved investment funds. The defined contribution scheme is open to all staff. The cost for the period was £510.893 (2018: £492.602).

*Defined Benefit Scheme*

The College sponsors the Royal College of Obstetricians and Gynaecologists Pension Scheme which is a funded defined benefit arrangement. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities for some 115 past and around 8 present employees. The level of retirement benefit is principally based on the best salary earned in the last three years of employment.

The Trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. During 2016 the Scheme moved to a sole trustee structure.

A full actuarial valuation of the scheme was carried out as at 31 March 2016 in accordance with the scheme funding requirements of the Pensions Act 2004 and the funding of the scheme is agreed between the College and the Trustees in line with these requirements. These in particular require the deficit to be calculated using prudent, as opposed to best estimate, actuarial assumptions. The actuarial valuation showed a funding shortfall of £4.98m.

The Scheme is a non-segregated multi-employer scheme. On an approximate basis, RCOG is responsible for c84.7% of the total liability.

For the purposes of FRS102, the preliminary actuarial valuation as at 31 March 2016, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 30 June 2019. This update is inherently less rigorous than a full valuation, adding to the level of uncertainty which pervades any assessment of the current value of the scheme's long term obligations and likely ability of the expected performance of its assets to meet those obligations.

Present values of RCOG's share of scheme liabilities, fair value of assets and deficit

	2019 £'000	2018 £'000
Fair value of scheme assets	19,906	18,872
Present value of scheme liabilities	(21,369)	(19,992)
Surplus/(Deficit) in scheme	<b>(1,463)</b>	<b>(1,120)</b>

The present value of scheme liabilities is measured by discounting the best estimate of future cash flows to be paid out by the scheme using the projected unit method. The value calculated in this way is reflected in the net liability in the balance sheet as shown above.

Notes to the financial statements

For the year ended 30 June 2019

27 Pension costs (continued)

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	2019 £	2018 £
Scheme liabilities at start of period	19,992	20,927
Interest cost	532	537
Actuarial losses	1,290	(908)
Benefits paid and expenses	(445)	(564)
Scheme liabilities at end of period	<u>21,369</u>	<u>19,992</u>

Reconciliation of opening and closing balances of the present value of the scheme assets

	2019 £'000	2018 £'000
Fair value of scheme assets at period start	18,872	18,938
Expected return on scheme assets	1,083	13
Contributions by employer	502	485
Benefits paid and expenses	(551)	(564)
Fair value of scheme assets at end of period	<u>19,906</u>	<u>18,872</u>

The actual return on the scheme assets over the period ending 30 June 2019 was £1,585,000 (2018– £498,000).

**Contributions**

The total contributions made by the employer over the period of £nil (2018: £nil) includes 0% (2018: 0%) employer's contributions towards the final salary scheme.

The best estimate of contributions to be paid by the employer to the scheme for the period beginning after 30 June 2019 is £nil (2018: £nil).

Total expenses recognised in net incoming/(outgoing) resources

	2019 £'000	2018 £'000
Past service cost	106	–
Interest on obligations	30	52
	<u>136</u>	<u>52</u>
Difference between expected and actual return on scheme assets Amount: (gain)	1,083	13
Experience gains and losses arising on the scheme liabilities Amount: loss	(1,290)	908
Amount: loss/(gain)	<u>(207)</u>	<u>921</u>

Notes to the financial statements

For the year ended 30 June 2019

27 Pension costs (continued)

The major categories of plan assets as a percentage of total plan assets are as follows:

	2019	2018
Equities & Diversified Growth Funds	61.3%	59.0%
Corporate Bonds	31.0%	32.2%
UK Fixed Gilts	0.0%	0.0%
Cash & other	0.0%	0.0%
Annuities	0.0%	0.0%
Liability Driven Investments	7.7%	8.8%
Total assets	<u>100.0%</u>	<u>100.0%</u>

Pension costs (continued)

Assumptions

	30 June 2019	30 June 2018	30 June 2017	31 December 2015	31 December 2014
	£'000	£'000	£'000	£'000	£'000
Inflation	3.1	3.0	3.2	3.0	3.0
Salary increases	3	3.0	3.0	3.0	3.0
Rate of discount	2.2	2.7	2.6	3.8	3.6
Allowance for pension in payment	3.1	2.9	3.1	2.9	2.9
Allowance for revaluation of deferred	<u>1.9</u>	<u>1.8</u>	<u>2.6</u>	<u>2.4</u>	<u>2.4</u>

The mortality assumptions adopted at 31 December 2012 are SAPS YOB tables, Medium Cohort with a minimum Improvement of 1.096 p.a. These imply the following life expectancies:

Male retiring at age 60 in 2019	26.2 years
Female retiring at age 60 in 2019	28.1 years
Male retiring at age 60 in 2039	27.6 years
Female retiring at age 60 in 2039	29.6 years

Expected long term rates of return

The expected long term rates of return applicable at the start of each period are as follows:

Analysis of the sensitivity of the principal assumptions of the value of the scheme liabilities

Assumptions	Change in assumptions	Approx. impact on scheme liabilities
Discount rate	Increase by 0.5% p.a.	Decrease by 9%
Rate of inflation	Increase by 0.5% p.a.	Increase by 7%
Rate of salary growth	Increase by 0.5% p.a.	Increase by 1%
Rate of mortality	1 year increase in life expectancy	Increase by 3%

Amounts for the current and previous periods

	2019	2018
	£'000	£'000
Fair value of assets	19,906	18,872
Present value of scheme liabilities	<u>(21,369)</u>	<u>(19,992)</u>
Surplus/(deficit) in scheme	<u>(1,463)</u>	<u>(1,120)</u>
Experience adjustment on scheme assets	(1,290)	908
Experience adjustment on scheme liabilities	-	-
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	<u>1,083</u>	<u>13</u>
Total	<u>(207)</u>	<u>921</u>