



**Royal  
College  
of Obstetricians  
and  
Gynaecologists**

**Financial Statements**

31 December 2010

Charity Commission for England and Wales  
Registration Number 213280

Office of the Scottish Charity Regulator  
Registration Number SC041594

## Contents

Independent auditors' report	1
Consolidated statement of financial activities	3
Balance sheets	4
Consolidated cash flow statement	5
Principal accounting policies	7
Notes to the financial statements	11

**Independent auditors' report to the Council of the Royal College of Obstetricians and Gynaecologists**

We have audited the financial statements of the Royal College of Obstetricians and Gynaecologists for the year ended 31 December 2010 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the consolidated cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Council, as a body, in accordance with Section 43 of the Charities Act 1993 and with regulations made under Section 44 of that Act and in accordance with Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Council as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Council and auditors**

As explained more fully in the Council's Responsibilities Statement set out in the Council's Annual Report, the Council is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 43 of the Charities Act 1993 and section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements.

**Opinion on the financial statements**

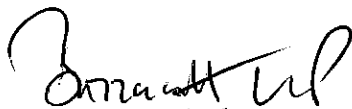
In our opinion the financial statements:

- ◆ give a true and fair view of the state of the group and charitable parent's affairs as at 31 December 2010 and of the group's incoming resources and application of resources for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 1993, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 1993, and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- ◆ the information given in the Councils' Annual Report is inconsistent in any material respect with the financial statements; or
- ◆ sufficient 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.



Statutory Auditor  
Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

6 June 2011

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

## Consolidated statement of financial activities Year to 31 December 2010

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2010 Total funds £	2009 Total funds £
<b>Incoming resources</b>						
Generated funds		1,374,384	410,076	—	<b>1,784,460</b>	1,616,340
Charitable activities		8,202,280	2,783,465	—	<b>10,989,745</b>	11,546,697
<b>Total incoming resources</b>	1	<b>9,576,664</b>	<b>3,197,541</b>	<b>—</b>	<b>12,774,205</b>	13,163,037
<b>Resources expended</b>						
Cost of generating funds		696,265	—	—	<b>696,265</b>	821,788
Charitable activities		7,520,584	2,501,801	—	<b>10,022,385</b>	12,170,560
Governance costs		115,574	—	—	<b>115,574</b>	67,874
<b>Total resources expended</b>	5	<b>8,332,423</b>	<b>2,501,801</b>	<b>—</b>	<b>10,834,224</b>	13,060,222
<b>Net incoming (outgoing) resources before transfers</b>						
	2	1,224,241	695,740	—	<b>1,939,981</b>	102,815
Gross transfers between funds	14	(99,095)	165,531	(66,436)	—	—
Net incoming (outgoing) resources before other recognised gains and losses		1,145,146	861,271	(66,436)	<b>1,939,981</b>	102,815
Net investment gains	10	72,557	177,451	511,598	<b>761,606</b>	1,142,061
Actuarial gains (losses) on defined benefit pension scheme	19	1,031,000	—	—	<b>1,031,000</b>	(2,232,000)
<b>Net movement in funds</b>		<b>2,248,703</b>	<b>1,038,722</b>	<b>445,162</b>	<b>3,732,587</b>	(987,124)
<b>Fund balances brought forward at 1 January 2010 as previously stated</b>						
		13,698,812	8,446,334	—	<b>22,145,146</b>	23,592,005
Prior year adjustment	18	593,948	(5,392,902)	4,798,954	—	—
<b>Fund balances brought forward at 1 January 2010 as restated</b>		<b>14,292,760</b>	<b>3,053,432</b>	<b>4,798,954</b>	<b>22,145,146</b>	23,592,005
Transfer of net assets to CMACE Limited	4	—	—	—	—	(459,735)
<b>Fund balances carried forward at 31 December 2010</b>		<b>16,541,463</b>	<b>4,092,154</b>	<b>5,244,116</b>	<b>25,877,733</b>	22,145,146

All of the charity's activities derived from continuing operations during the above two financial periods with the exception of Confidential Enquiry into Child and Maternal Health (CEMACH) which transferred to a new charity, Centre for Maternal and Child Enquiries (CMACE), with effect from 1 July 2009. The results of CEMACH up to the period ended 30 June 2009 are set out in note 4 to the financial statements.

**Balance sheets** 31 December 2010

	Notes	Consolidated		Charity	
		2010 £	2009 (restated) £	2010 £	2009 (restated) £
<b>Fixed assets</b>					
Tangible fixed assets	9	<b>10,690,663</b>	11,082,830	<b>10,690,663</b>	11,082,830
Investments	10	<b>11,066,693</b>	10,311,311	<b>11,066,695</b>	10,311,313
		<b>21,757,356</b>	21,394,141	<b>21,757,358</b>	21,394,143
<b>Current assets</b>					
Stocks		<b>331,276</b>	336,055	<b>331,276</b>	336,055
Debtors	11	<b>1,277,703</b>	1,227,847	<b>1,153,911</b>	1,087,360
Cash at bank and in hand		<b>5,508,350</b>	4,328,779	<b>5,507,910</b>	4,292,200
		<b>7,117,329</b>	5,892,681	<b>6,993,097</b>	5,715,615
<b>Creditors: amounts falling due within one year</b>	12	<b>(2,689,952)</b>	(3,249,676)	<b>(2,565,720)</b>	(3,072,612)
<b>Net current assets</b>		<b>4,427,377</b>	2,643,005	<b>4,427,377</b>	2,643,003
<b>Total net assets excluding pension liability</b>		<b>26,184,733</b>	24,037,146	<b>26,184,733</b>	24,037,146
<b>Pension liability</b>	19	<b>(307,000)</b>	(1,892,000)	<b>(307,000)</b>	(1,892,000)
<b>Total net assets including Pension liability</b>		<b>25,877,733</b>	22,145,146	<b>25,877,733</b>	22,145,146
<b>Represented by:</b>					
<b>Funds and reserves</b>					
<b>Capital funds</b>					
	13				
. Permanent endowment funds		<b>4,690,908</b>	4,240,062	<b>4,690,908</b>	4,240,062
. Expendable endowment funds		<b>553,431</b>	558,892	<b>553,431</b>	558,892
		<b>5,244,116</b>	4,798,954	<b>5,244,116</b>	4,798,954
<b>Income funds</b>					
Unrestricted funds					
. General funds	15	<b>5,639,836</b>	4,603,300	<b>5,639,836</b>	4,603,300
. Designated funds	16	<b>11,208,627</b>	11,581,460	<b>11,208,627</b>	11,581,460
Restricted funds	14	<b>4,092,154</b>	3,053,432	<b>4,092,154</b>	3,053,432
<b>Total funds excluding Pension reserve</b>		<b>26,184,733</b>	24,037,146	<b>26,184,733</b>	24,037,146
<b>Pension reserve</b>	15	<b>(307,000)</b>	(1,892,000)	<b>(307,000)</b>	(1,892,000)
<b>Total funds</b>		<b>25,877,733</b>	22,145,146	<b>25,877,733</b>	22,145,146

Approved by Council  
and signed on its' behalf by:

Trustee

*A. S. Falcon*

Approved on:

*21/5/11*

## Consolidated cash flow statement Year to 31 December 2010

	Notes	2010 £	2009 £
Cash inflow from operating activities	A	1,069,192	687,113
Returns on investments and servicing of finance	B	200,017	194,795
Capital expenditure and financial investment	B	(35,208)	(136,930)
Acquisitions and disposals	B	—	(2,053,993)
<b>Increase (decrease) in cash</b>	<b>C</b>	<b>1,234,001</b>	<b>(1,309,015)</b>

Notes to the cash flow statement for the year to 31 December 2010.

### A Adjustment of net incoming (outgoing) resources before net investment gains (losses) to net cash outflow from operating activities

	2010 £	2009 £
Net incoming resources	1,939,981	102,815
Movement on endowment funds	(66,436)	—
FRS17 Pension adjustments	(554,000)	(1,109,000)
Depreciation	554,465	506,317
Investment income receivable	(200,017)	(214,242)
Decrease in stocks	4,779	54,743
Increase in debtors	(49,856)	(524,802)
(Decrease) increase in creditors	(559,724)	1,871,282
Net cash inflow from operating activities	1,069,192	(687,113)

### B Gross cash flows

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	46,359	20,556
Investment income received	153,658	174,239
	<b>200,017</b>	<b>194,795</b>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(162,298)	(136,930)
Receipts from the disposal of endowment investment	66,436	—
Receipts from disposal of investments	5,604,589	—
Payments to acquire investments	(5,543,935)	—
	<b>(35,208)</b>	<b>(136,930)</b>
<b>Acquisitions and disposals</b>		
Cash transferred to CMACE Limited	—	(2,053,993)

## Consolidated cash flow statement Year to 31 December 2010

### C Analysis of changes in net cash

	At 1 January 2010 £	Cash flows £	At 31 December 2010 £
Cash at bank and in hand	4,328,779	1,179,571	<b>5,508,350</b>
Cash held by investment managers	1,098	54,430	<b>55,528</b>
	<b>4,329,877</b>	<b>1,234,001</b>	<b>5,563,878</b>



### **Accounting policies**

The financial statements are prepared under the Charities Act 1993 in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005), issued in March 2005. The particular accounting policies adopted by Council are described below.

### **Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment assets.

### **Consolidated financial statements**

Consolidated financial statements have been prepared which include the College, its wholly owned trading subsidiary and the accounts of the Confidential Enquiry into Maternal and Child Health (CEMACH) which was controlled by the Council of the College up to 30 June 2009. On 1 July 2009 the activities of CEMACH were transferred into the control of a charitable company, "Centre for Maternal and Child Enquiries" (CMACE), which was established specifically for that purpose. The financial statements of the College include the results of the National Collaborating Centre for Women's and Children's Health (NCC-WCH) for which the College is the host organisation.

In accordance with the provisions of the Charities' SORP, a Statement of Financial Activities for the College alone has not been prepared.

### **Fund accounting**

General funds are available for use at the discretion of the Council in furtherance of the charitable objectives of the College.

Designated funds comprise general funds which have been set aside at the discretion of the Council for specific purposes.

Restricted funds are funds subject to specific restrictions imposed by funders or by the purpose of the appeal.

Permanent endowment funds comprise monies which must be held indefinitely as capital. Income generated from the funds being applied towards specific or general purposes as appropriate.

Expendable endowment funds comprise monies which may be held indefinitely but which may, at the discretion of the trustees, be converted to income under certain circumstances. Income generated from the funds being applied towards specific or general purposes as appropriate.

The purpose and use of the principal individual funds are set out in the notes to the financial statements.

All income and expenditure is shown in the statement of financial activities.

**Incoming resources**

All income is accounted for on a receivable basis.

Subscription income received in advance is deferred. Re-instatement fees are added to subscription income when received.

Examination fee income, postgraduate meeting income and the related expenditure is included in the year in which the examinations and meetings are held.

Income from the hire of facilities and the provision of catering is recognised when the hire takes place. Deposits and other payments in advance of bookings are deferred.

Grant income is recognised in the accounting period to which it relates.

Legacies are credited to income when the amount receivable is reliably known and the ultimate receipt is reasonably certain.

**Resources expended and the basis of apportioning costs**

All expenditure is accounted for on an accruals basis.

The cost of generating funds comprises the costs of generating funds for the College including the expenditure of the trading subsidiary and investment manager fees.

Expenditure incurred in connection with the specific objects of the charity is included in the cost of charitable activities. Direct staff costs are allocated according to the nature of the work performed by each member of staff. Other direct costs are allocated to the activity to which they relate on an actual basis.

Support costs include the cost of service centres and the costs of Council, the Finance and Executive Committee, overseas committees, Officers' expenses and all other Committees. Support costs other than finance costs are apportioned between cost of generating funds and charitable activities on the basis of time spent. Finance costs are apportioned based on the level of financial activity in each area.

Governance costs comprise the costs directly attributable to the governance of the College including audit costs and the necessary legal procedures for compliance with statutory requirements.

Irrecoverable VAT is included in finance costs, which are apportioned to departmental expenditure as explained above.

**Tangible fixed assets and depreciation**

Tangible fixed assets other than donated assets (see below) are initially recognised at cost including any incidental expenses of acquisition. All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is provided on all tangible fixed assets other than donated assets at rates calculated to write off the cost on a straight line basis over their expected useful lives as follows:

**Tangible fixed assets and depreciation** (continued)

- ◆ Leasehold buildings - the period of the lease
- ◆ Plant - 10 years
- ◆ Furniture and fittings - 5 years
- ◆ Computer equipment - 3 years

All additions are depreciated for a full year in the year of acquisition.

Donated assets include historic donations of furniture, books, pictures and equipment by the late Professor Blair-Bell and others. Certain of these assets, which the College does not intend to sell, were initially recognised in the financial statements at an estimate of their open market value at 31 December 2006. These assets were professionally valued during 2007.

The remaining donated assets fulfil the definition of heritage assets in SORP 2005 in that they are held as a record of the history and heritage of the specialty. These assets have not been included in the balance sheet because the cost of ascertaining their value would outweigh the benefit.

**Donated assets**

Fixed assets received by way of legacy are included in incoming resources and capitalised initially at their probate value. Other assets received as gifts are initially recognised at their estimated market value at the time of receipt. Assets held at 31 December 2006 which had previously been recognised in the financial statements at an estimate of their market value at that date were professionally valued at 31 December 2007.

The ultimate realisable value of these items would, in Council's opinion, be equal to or greater than their book values and on this basis no depreciation charge is provided. Council will consider annually whether any circumstances exist which would impair the value of these assets and if necessary a provision for any such impairment will be made.

**Investments**

Investments are stated at mid-market value at the balance sheet date. Realised and unrealised gains and losses on investments are credited or charged in the Statement of Financial Activities against the fund for which those assets are held.

**Stocks**

Stocks are valued at the lower of cost and net realisable value. Library books are written off as expenditure is incurred.

**Cash at bank and in hand**

For the purposes of the cashflow statement, cash or liquid resources comprises sums on deposit with recognised banks, but not cash held by investment managers for reinvestment.

**Pension costs**

◆ **Defined benefit scheme**

The defined benefit pension scheme assets are measured using market values. The scheme's liabilities are measured using the projected unit 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.

◆ **Defined contribution scheme**

Contributions in respect of the College's defined contribution pension scheme are charged to the statement of financial activities for the year in which they are payable to the scheme.

**Operating leases**

The costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

**1 Incoming resources**

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
<b>Generated funds</b>				
RCOG Trading Limited (see note 3)	1,232,911	—	<b>1,232,911</b>	1,174,909
Investment income	58,780	141,237	<b>200,017</b>	214,242
Donations and legacies	521	268,839	<b>269,360</b>	101,044
Other income	82,172	—	<b>82,172</b>	126,145
	<b>1,374,384</b>	<b>410,076</b>	<b>1,784,460</b>	<b>1,616,340</b>
<b>Charitable activities</b>				
Conference and meetings	1,670,517	—	<b>1,670,517</b>	1,401,780
Examinations	2,318,915	99,949	<b>2,418,864</b>	2,294,479
International initiatives	—	98,654	<b>98,654</b>	158,869
Fellows and members	3,294,392	—	<b>3,294,392</b>	3,427,039
Standards and clinical governance	42,613	592,047	<b>634,660</b>	245,656
Education and training initiatives	269,659	115,215	<b>384,874</b>	347,056
The National Collaborating Centre for Women's and Children's Health (NCC – WCH)	—	1,881,600	<b>1,881,600</b>	1,803,207
Confidential Enquiry into Child and Maternal Health (CEMACH) (discontinued-see note 4)	—	—	<b>—</b>	997,273
British Journal of Obstetrics and Gynaecology (BJOG)	403,852	—	<b>403,852</b>	475,605
Accommodation and service charges	202,332	—	<b>202,332</b>	395,733
	<b>8,202,280</b>	<b>2,787,465</b>	<b>10,989,745</b>	<b>11,546,697</b>
<b>Total incoming resources</b>	<b>9,576,664</b>	<b>3,197,541</b>	<b>12,774,205</b>	<b>13,163,037</b>

**2 Net incoming (outgoing) resources before other recognised gains and losses**

This is stated after charging:

	2010 Total funds £	2009 Total funds £
Auditors' remuneration		
· Audit services	<b>25,000</b>	28,250
· Other services	<b>7,000</b>	9,000
Operating lease rentals and buildings		
· Land	<b>144,000</b>	152,160
· Other	<b>21,471</b>	15,671

**3 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 will donate its taxable profits to the College under gift aid. Trading results extracted from its audited financial statements are shown below:

Profit and loss account	2010 £	2009 £
<b>Turnover</b>	<b>1,234,698</b>	1,178,861
Cost of sales	<b>(536,736)</b>	(587,940)
<b>Gross profit</b>	<b>697,962</b>	590,921
Administrative expenses	<b>(163,484)</b>	(163,073)
<b>Operating profit</b>	<b>534,478</b>	427,848
<b>Profit on ordinary activities before taxation</b>	<b>534,478</b>	427,848
Taxation	—	—
<b>Profit on ordinary activities after taxation</b>	<b>534,478</b>	427,848
Gift aid to Royal College of Obstetricians and Gynaecologists	<b>(534,478)</b>	(427,848)
<b>Profit retained for the financial year</b>	<b>—</b>	—
<b>Balance sheet</b>		
Debtors	<b>173,322</b>	185,617
Cash at bank	<b>440</b>	36,578
	<b>173,762</b>	222,195
Creditors: amounts falling due within one year	<b>(173,760)</b>	(222,193)
<b>Net assets</b>	<b>2</b>	2
Share capital	<b>2</b>	2
Profit and loss account	—	—
<b>Capital and reserves as at 31 December 2010</b>	<b>2</b>	2

**4 Confidential Enquiry into Child and Maternal Health (CEMACH) income and expenditure**

The College was the host organisation for CEMACH. The RCOG contracted with the National Patient Safety Authority for funding for CEMACH. The Centre is a collaboration with other organisations and has its own Executive Board to manage its operations. The RCOG had one representative on the Board and ultimately had a power of veto over those decisions which may have financial consequences for the College and therefore it had effective control. CEMACH is not a separate legal entity in its own right. CEMACH's activities were transferred to a new charity, CMACE, with effect from 1 July 2009.

**4 Confidential Enquiry into Child and Maternal Health (CEMACH) income and expenditure** (continued)

The results for the period ended 30 June 2009 are summarised below.

	6 months to 30 June 2009 £
<b>Income and expenditure account</b>	
<b>Incoming resources</b>	
Grant funding	720,841
Interest receivable	8,276
Other income	268,156
	<u>997,273</u>
<b>Resources expended</b>	
Regional payments	(168,223)
Operating costs	(826,889)
	<u>(995,112)</u>
<b>Surplus for the period</b>	<u>2,161</u>
<b>Balance sheet</b>	30 June 2009 £
<b>Fixed assets</b>	<u>37,637</u>
<b>Current assets</b>	
Debtors	196,661
Treasury deposits	1,500,000
Cash at bank	553,993
	<u>2,250,654</u>
Creditors: amounts falling due within one year	<u>(1,828,556)</u>
<b>Net current assets</b>	<u>422,098</u>
<b>Net assets at 30 June 2009 transferred to CMACE Limited</b>	<u>459,735</u>
<b>Funds as at 31 December 2009</b>	<u>—</u>

**Notes to the financial statements** 31 December 2010

**5 Resources expended**

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
<b>Cost of generating funds</b>				
<b>Investment management costs</b>	10,844	—	<b>10,844</b>	—
<b>Activities for generating funds</b>				
RCOG Trading Company Limited	536,742	—	<b>536,742</b>	581,263
Accommodation and service charges	148,679	—	<b>148,679</b>	240,525
	<u>696,265</u>	<u>—</u>	<u><b>696,265</b></u>	<u>821,788</u>
<b>Charitable activities</b>				
Conference and meetings	1,660,481	—	<b>1,660,481</b>	1,951,517
Examinations	1,215,206	48,569	<b>1,263,775</b>	1,395,219
International Initiatives	291,932	89,000	<b>380,932</b>	243,593
Fellows and Members	2,826,145	—	<b>2,826,145</b>	3,454,125
Standards and Clinical Governance	689,856	321,279	<b>1,011,135</b>	742,922
Education and Training Initiatives	679,338	92,899	<b>772,237</b>	966,094
BJOG	41,876	—	<b>41,876</b>	50,527
NCC – WCH	—	1,607,917	<b>1,607,917</b>	1,717,365
CEMACH (discontinued - see note 4)	—	—	—	992,612
Special funds (notes 13, 14 & 16)	115,750	342,137	<b>457,887</b>	637,899
South wing project	—	—	—	18,687
	<u>7,520,584</u>	<u>2,501,801</u>	<u><b>10,022,385</b></u>	<u>12,170,560</u>
<b>Governance</b>	115,574	—	<b>115,574</b>	67,874
	<u>8,332,423</u>	<u>2,501,801</u>	<u><b>10,834,224</b></u>	<u>13,060,222</u>

**6 Support costs**

	Staff costs £	Other costs £	2010 Total £	2009 Total £
Officers, Council and Administration	397,455	516,055	<b>913,510</b>	1,029,430
Finance	288,284	134,747	<b>423,031</b>	513,261
Facilities and Premises	446,922	756,608	<b>1,203,530</b>	1,255,489
Other				
• Depreciation	—	554,465	<b>554,465</b>	489,532
• IT	253,433	135,202	<b>388,635</b>	428,459
• Personnel/pension	(474,845)	140,825	<b>(334,020)</b>	152,097
	<u>911,249</u>	<u>2,237,902</u>	<u><b>3,149,151</b></u>	<u>3,868,268</u>



**6 Support costs** (continued)

Support costs have been allocated as follows:

	Officers, Council and Administ- ration £	Finance £	Facilities and Premises £	Other £	2010 Total £	2009 Total £
<b>Charitable activities</b>						
Conference and meetings	168,389	77,841	221,849	112,273	<b>580,352</b>	702,351
Examinations	129,098	97,108	170,084	86,076	<b>482,366</b>	661,980
International initiatives	—	10,284	—	—	<b>10,284</b>	10,209
Fellow and Members	329,762	169,259	434,453	219,868	<b>1,153,342</b>	1,451,687
Standards and Clinical Governance	127,695	28,539	168,235	85,140	<b>409,609</b>	425,073
Education and Training Initiatives	109,453	25,300	144,202	72,977	<b>351,932</b>	427,512
BJOG	14,032	—	18,488	9,356	<b>41,876</b>	50,527
Special funds (note 14)	—	14,700	—	—	<b>14,700</b>	28,273
Accommodation & Service charges	35,081	—	46,219	23,390	<b>104,690</b>	110,656
	<b>913,510</b>	<b>423,031</b>	<b>1,203,530</b>	<b>609,080</b>	<b>3,149,151</b>	3,868,268
<b>2009</b>	1,029,430	513,261	1,255,489	1,070,088	3,868,268	

All support costs have been allocated on the basis of time spent by College staff, with the exception of Finance costs which have been allocated based on the level of financial activity in each area.

**7 Staff costs**

	2010 £	2009 £
Wages and salaries	<b>4,338,125</b>	4,522,052
Social security costs	<b>403,316</b>	410,428
Pension costs (includes FRS 17 adjustment of £(609)k (2009: £(1,147)k)	<b>(215,039)</b>	415,029
	<b>4,526,402</b>	5,347,509
	2010 Number	2009 Number
The average number of employees was:	<b>136</b>	153

**7 Staff costs** (continued)

The number of employees who earned £60,000 per annum or more (including, taxable benefits but excluding employer pension contributions) during the year was as follows:

	2010 Number	2009 Number
£60,001 - £70,000	3	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	—	1

**8 Council members**

The Council members received no emoluments or other personal benefits during the year (2009: £nil).

Out of pocket expenses were reimbursed to Council members, in their capacity as trustees, as follows:

	2010 Number	2010 £	2009 Number	2009 £
Travel and subsistence	29	38,708	31	34,523

**9 Tangible fixed assets**

<b>Consolidated and charity</b>	Leasehold buildings £	Plant, furniture & equipment £	Donated assets £	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 January 2010	12,761,316	5,280,662	300,000	<b>18,341,978</b>
Additions	—	183,355	—	<b>183,355</b>
VAT adjustment (see below)	(21,057)	—	—	<b>(21,057)</b>
Disposals	—	(69,296)	—	<b>(69,296)</b>
At 31 December 2010	<u>12,740,259</u>	<u>5,394,721</u>	<u>300,000</u>	<b><u>18,434,980</u></b>
<b>Depreciation</b>				
At 1 January 2010	(2,350,419)	(4,908,729)	—	<b>(7,259,148)</b>
Charge for year	(254,805)	(299,660)	—	<b>(554,465)</b>
Eliminated on disposal	—	69,296	—	<b>69,296</b>
At 31 December 2010	<u>(2,605,224)</u>	<u>(5,139,093)</u>	<u>—</u>	<b><u>(7,744,317)</u></b>
<b>Net book values</b>				
At 31 December 2010	<u>10,135,035</u>	<u>255,628</u>	<u>300,000</u>	<b><u>10,690,663</u></b>
At 31 December 2009	<u>10,410,897</u>	<u>371,933</u>	<u>300,000</u>	<b><u>11,082,830</u></b>

**9 Tangible fixed assets (continued)**

The VAT adjustment is a Capital Goods Scheme VAT adjustment made on the recovery of prior years' input VAT on the construction of the Education Centre.

The College has certain donated assets which were previously regarded as historic and inalienable and did not have to be included on the College's balance sheet. The donated assets have been stated at £300,000, based on a professional valuation by Messrs Bonhams in 2007. 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.

**10 Fixed asset investments**

<b>Consolidated</b>	<b>2010</b> £	2009 £
Market value as at 1 January 2010	<b>10,310,213</b>	9,169,250
Additions	<b>5,543,935</b>	—
Disposals (proceeds £5,604,589; loss £18,710)	<b>(5,623,299)</b>	—
Net unrealised investment gains	<b>780,316</b>	1,142,061
Market value as at 31 December 2010	<b>11,011,165</b>	10,310,213
Cash held by investment managers for reinvestment	<b>55,528</b>	1,098
	<b>11,066,693</b>	10,311,311
Cost of listed investments at 31 December 2010	<b>10,717,607</b>	7,199,908

Charity investments include the above amounts, together with the College's investment in the trading subsidiary of £2.

Significant investments were as follows:

	<b>2010</b> £	2009 £
MFM Newton Phoenix 'B' Fund Inc	<b>7,404,464</b>	6,714,528
OXIP LP series VI 2006	—	3,595,685

Listed investments held at 31 December 2010 comprised the following:

	<b>2010</b> £	2009 £
UK based unit trusts	<b>7,404,464</b>	10,031,213
UK based equity funds	<b>2,388,520</b>	—
Overseas based equity funds	<b>903,548</b>	—
UK Government bonds	<b>314,633</b>	—
	<b>11,011,165</b>	10,031,213

**11 Debtors**

	Consolidated		Charity	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	809,641	754,684	685,849	614,197
Other debtors	180,485	185,768	180,485	185,768
Prepayments and accrued income	287,577	287,395	287,577	287,395
	<b>1,277,703</b>	<b>1,227,847</b>	<b>1,153,911</b>	<b>1,087,360</b>

**12 Creditors: amounts falling due within one year**

	Consolidated		Charity	
	2010 £	2009 £	2010 £	2009 £
Trade creditors	350,341	715,670	322,834	644,543
Amounts owed to subsidiary	—	—	49,529	45,130
Deferred income	1,288,276	1,973,225	1,154,869	1,830,165
Taxation and social security costs	650,408	218,278	643,747	215,772
Accruals	400,927	342,503	394,741	337,002
	<b>2,689,952</b>	<b>3,249,676</b>	<b>2,565,720</b>	<b>3,072,612</b>

**13 Endowment funds**

The capital of the following permanent endowment funds must be preserved, although the income may be used in accordance with the terms of the endowments at the discretion of the Council.

	At 1 January 2010 (as previously stated) £	Prior year adjust- ment (see note 18) £	Transfers £	Investment gains £	At 31 December 2010 £
<b>Permanent endowments</b>					
Edgar Research – Jean Ethel Gentilli Scholarship	—	2,023,597	—	215,169	<b>2,238,766</b>
F&W Blair-Bell Memorial Fund	—	877,736	—	93,329	<b>971,065</b>
Sims Black Travelling Professors Fund	—	849,294	—	90,305	<b>939,599</b>
Thomas Watts Eden Fellowship	—	219,929	—	23,385	<b>243,314</b>
G-A & Spackman S/T Travel	—	107,238	—	11,403	<b>118,641</b>
Green Armytage Anglo American Fund	—	26,475	—	2,815	<b>29,290</b>
Tim Chard Prize Fund	—	24,825	—	2,640	<b>27,465</b>
Florence Blair-Bell Art Fund	—	23,706	—	2,521	<b>26,227</b>
William Blair Bell Memorial Lectureship	—	22,807	—	2,425	<b>25,232</b>
Victor Bonney Prize Fund	—	21,743	—	2,312	<b>24,055</b>
James Wyatt Dining Fund	—	12,063	—	1,283	<b>13,346</b>
JY Simpson Oration Fund	—	11,191	—	1,190	<b>12,381</b>
WMF Shaw Memorial Lectureship	—	10,784	—	1,147	<b>11,931</b>
Sir Eardley Holland Medal Fund	—	8,674	—	922	<b>9,596</b>
	—	<b>4,240,062</b>	—	<b>450,846</b>	<b>4,690,908</b>
<b>Expendable endowments</b>					
President's Fund	—	432,096	(59,316)	46,997	<b>419,777</b>
Ethicon Foundation Fund	—	126,796	(7,120)	13,755	<b>133,431</b>
	—	<b>558,892</b>	<b>(66,436)</b>	<b>60,752</b>	<b>553,208</b>
<b>Total endowment funds</b>	—	<b>4,798,954</b>	<b>(66,436)</b>	<b>511,598</b>	<b>5,244,116</b>

**13 Endowment funds** (continued)

In prior periods, these funds have been classified as restricted funds without a distinction made between those of a capital (endowment) and revenue nature (see note 14) but following research by the Council have been reclassified in these financial statements in order to better reflect their true nature.

**Edgar Research - Jean Ethel Gentilli Scholarship**

For the provision of travel for candidates of high academic standing to participate in research.

**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

**President's Fund**

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

Transfers from expendable endowment funds to restricted funds have been made where the trustees have decided to expend the fund.

**Other Endowed Funds**

Total of all remaining funds whose balance is less than £100,000.

**14 Restricted funds**

	At 1 January 2010 (as previously stated) £	Prior year adjust- ment (see note 18) £	At 1 January 2010 (as restated) £	Incoming resources £	Resources expended £	Investment gains £	Transfers £	At 31 December 2010 £
<b>Scholarship and lecture funds</b>								
Lockyer Travelling Fellowship	833,503	—	833,503	18,125	(63,277)	82,933	—	<b>788,351</b>
Bernhard Baron Scholarship fund	297,989	—	297,989	6,480	(8,058)	27,608	—	<b>324,019</b>
Sims Black Travelling Professors Fund	1,052,789	(849,294)	203,495	22,893	(31,151)	—	—	<b>278,170</b>
Thomas Watts Eden Fellowship	256,076	(219,929)	36,147	5,568	(6,336)	—	—	<b>35,379</b>
Other funds	203,597	(167,304)	36,293	4,427	(6,074)	—	—	<b>34,646</b>
	<u>2,643,954</u>	<u>(1,236,527)</u>	<u>1,407,427</u>	<u>57,493</u>	<u>(114,896)</u>	<u>110,541</u>	<u>—</u>	<u><b>1,460,565</b></u>
<b>Research funds</b>								
Sir William Gilliatt Memorial Fund	311,704	—	311,704	6,778	(75,221)	53,725	—	<b>296,986</b>
Edgar Research – Jean Ethel Gentilli Scholarship	1,927,477	(2,023,597)	(96,120)	41,913	(23,979)	—	96,120	<b>17,934</b>
F&W Blair-Bell Memorial Fund	897,093	(877,736)	19,357	19,507	(4,075)	—	—	<b>34,789</b>
Other funds	28,742	(28,742)	—	—	—	—	—	<b>—</b>
	<u>3,165,016</u>	<u>(2,930,075)</u>	<u>234,941</u>	<u>68,198</u>	<u>(103,275)</u>	<u>53,725</u>	<u>96,120</u>	<u><b>349,709</b></u>
<b>Other special purpose funds</b>								
Marjorie Kuck	123,799	(66,316)	57,483	1,414	(24,226)	6,112	—	<b>40,783</b>
Millennium Endometriosis Fund	37,108	—	37,108	807	(8,105)	821	—	<b>30,631</b>
President's Fund	432,096	(432,096)	—	9,396	(68,712)	—	59,316	<b>—</b>
Overseas Fund	424,262	(424,262)	—	—	—	—	—	<b>—</b>
Other funds	442,969	(303,626)	139,343	67,843	(22,923)	6,252	10,095	<b>200,610</b>
	<u>1,460,234</u>	<u>(1,226,300)</u>	<u>233,934</u>	<u>79,460</u>	<u>(123,966)</u>	<u>13,185</u>	<u>69,411</u>	<u><b>272,024</b></u>
<b>Government grants</b>								
NCC – WCH	515,594	—	515,594	1,881,600	(1,607,917)	—	—	<b>789,277</b>
International Doctors Training Programme	445,796	—	445,796	71,632	—	—	—	<b>517,428</b>
Other government grants	215,740	—	215,740	1,039,158	(551,747)	—	—	<b>703,151</b>
	<u>1,177,130</u>	<u>—</u>	<u>1,177,130</u>	<u>2,992,390</u>	<u>(2,159,664)</u>	<u>—</u>	<u>—</u>	<u><b>2,009,856</b></u>
<b>Total restricted funds</b>	<u>8,446,334</u>	<u>(5,392,902)</u>	<u>3,053,432</u>	<u>3,197,541</u>	<u>(2,501,801)</u>	<u>177,451</u>	<u>165,531</u>	<u><b>4,092,154</b></u>

The specific purpose for which the funds are to be applied are as follows:

**Bernhard Baron Scholarship Fund**

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

**Lockyer Travelling Fellowship**

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

**Sir William Gilliatt Memorial Fund**

To encourage research in all aspects of obstetrics and gynaecological medicine.

**Millennium Endometriosis Fund**

The object of the fund is to stimulate and encourage research, clinical or laboratory based, in the field of endometriosis, or to encourage clinicians to acquire extra clinical skills to manage patients with the disease.

**14 Restricted funds (continued)**

Marjorie Kuck fund

Provided for research into the medical problems of obstetrics.

Government grants

Grants for specific purposes relating to College activities.

Other restricted funds from which income is earned from an endowment fund are detailed in note 13.

Transfers relate to reimbursement of expenditure incurred for restricted fund purposes but met out of the unrestricted fund balances in the first instance.

**15 Unrestricted funds**

	General funds £	Designated funds £	Pension reserve £	Total £
At 1 January 2010 as previously stated	4,510,813	11,079,999	(1,892,000)	<b>13,698,812</b>
Prior year adjustment (note 18)	92,487	501,461	—	<b>593,948</b>
At 1 January 2010 as restated	4,603,300	11,581,460	(1,892,000)	<b>14,292,760</b>
Incoming resources	9,563,664	13,000	—	<b>9,576,664</b>
Resources expended	(8,500,590)	(385,833)	554,000	<b>(8,332,423)</b>
Transfers from restricted funds	(99,095)	—	—	<b>(99,095)</b>
Net investment gains/actuarial gains	72,557	—	1,031,000	<b>1,103,557</b>
At 31 December 2010	<b>5,639,836</b>	<b>11,208,627</b>	<b>(307,000)</b>	<b>16,541,463</b>

**16 Designated funds**

	At 1 January 2010 as previously stated £	Prior year adjustment (see note 18) £	At 1 January 2010 as restated £	New designations £	Utilised/ released £	At 31 December 2010 £
Heritage fund	300,000	—	300,000	—	—	<b>300,000</b>
Property fund	10,410,897	—	10,410,897	—	(275,862)	<b>10,135,035</b>
Education fund	228,523	—	228,523	—	—	<b>228,523</b>
Repairs fund	130,945	—	130,945	—	(72,052)	<b>58,893</b>
Scottish Office	9,634	—	9,634	—	(3,750)	<b>5,884</b>
Recruitment Fund	—	—	—	2,595	(2,595)	<b>—</b>
Edgar Gentilli Research Fund	—	28,742	28,742	626	(15,451)	<b>13,917</b>
Overseas Fund	—	424,262	424,262	9,226	(9,948)	<b>423,540</b>
John Lawson fund	—	28,818	28,818	329	(4,083)	<b>25,064</b>
Herbert Erik Reiss Memorial Fund	—	19,639	19,639	224	(2,092)	<b>17,771</b>
	<b>11,079,999</b>	<b>501,461</b>	<b>11,581,460</b>	<b>13,000</b>	<b>(385,833)</b>	<b>11,208,627</b>

Heritage fund

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

Property Fund

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

**16 Designated funds** (continued)

Education Fund

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

Repairs Fund

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

Scottish Office

One off donation from Bayer Ltd to support administration for educational activities in Scotland.

Overseas Fund

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

**17 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2010 £	Total 2009 £
<b>Fund balances at 31 December 2010 are represented by:</b>					
Tangible fixed assets	10,690,663	—	—	<b>10,690,663</b>	11,082,830
Investments	3,662,018	2,160,559	5,244,116	<b>11,066,693</b>	10,311,311
Net current assets	2,495,782	1,931,595	—	<b>4,427,377</b>	2,643,005
<b>Total net assets excluding pension liability</b>	<b>16,848,463</b>	<b>4,092,154</b>	<b>5,244,166</b>	<b>26,184,733</b>	<b>24,037,146</b>

**18 Prior year adjustment**

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances brought forward at 1 January 2010 as previously stated	13,698,812	8,446,334	—	<b>22,145,146</b>
Prior year adjustment:				
Reclassification of restricted funds as endowment funds	593,949	(5,392,903)	4,798,954	—
As restated	<b>14,292,761</b>	<b>3,053,431</b>	<b>4,798,954</b>	<b>22,145,146</b>

As explained in note 13, in prior periods, the various endowment funds had been classified as restricted funds and some unrestricted designated funds held as restricted but following research by the Council have been reclassified in these financial statements in order to reflect their true nature.



19 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 year was £137,344 (2009 - £125,479).

*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 104 past and around 35 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. The appointment of the Trustees is determined by the scheme's trust documentation. It is a policy that one third of all trustees should be nominated by the members.

A full actuarial valuation of the scheme was carried out as at 1 April 2010 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 deficit of £674,000.

For the purposes of FRS17, the preliminary actuarial valuation as at 1 April 2010, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 31 December 2010. 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 scheme liabilities, fair value of assets and deficit

	31 December 2010 £'000s	31 December 2009 £'000s	31 December 2008 £'000s	31 December 2007 £'000s	31 December 2006 £'000s
Fair value of scheme assets	13,079	11,534	9,212	8,493	7,914
Present value of scheme liabilities	13,386	13,426	9,981	10,535	9,789
Deficit in scheme	<b>(307)</b>	(1,892)	(769)	(2,042)	(1,875)

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.

19 Pension costs (continued)

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

	Period ending 31 December 2010 £000s	Period ending 31 December 2009 £000s
Scheme liabilities at start of period	13,426	9,981
Current service cost	183	338
Interest cost	771	632
Contributions by scheme participants	80	70
Actuarial (gains) losses	(259)	2,725
Benefits paid and expenses	(337)	(320)
Loss and (gains) or curtailment	(478)	—
Scheme liabilities at end of period	<b>13,386</b>	13,426

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

	Period ending 31 December 2010 £000s	Period ending 31 December 2009 £000s
Fair value of scheme assets at start of period	11,534	9,212
Expected return on scheme assets	716	594
Actuarial gains	772	493
Contributions by employer	314	1,485
Contributions by scheme participants	80	70
Benefits paid and expenses	(337)	(320)
Fair value of scheme assets at end of period	<b>13,079</b>	11,534

The actual return on the scheme assets over the period ending 31 December 2010 was £1,488,000 (2009 - £1,087,000).

Contributions

The total contributions made by the employer over the period of £314,000 (2009 - £1,485,000) includes 26.1% (2009 - 41%) 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 31 December 2010 is £310,000 (2009 - £500,000).

19 Pension costs (continued)

Total expense recognised in consolidated statement of financial activities

	Period ending 31 December 2010 £000s	Period ending 31 December 2009 £000s
Current service cost	183	338
Interest cost	771	632
Expected return on scheme assets	(716)	(594)
Losses and (gains) on curtailments and settlements	(478)	—
<b>Total expense recognised in consolidated statement of financial activities</b>	<b>(242)</b>	<b>376</b>

Statement of total recognised gains and losses

	Period ending 31 December 2010 £000s	Period ending 31 December 2009 £000s
Difference between expected and actual return on scheme assets . Amount: gain (loss)	772	493
Experience gains and losses arising on the scheme liabilities . Amount: loss	(244)	(155)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities . Amount: gain (loss)	503	(2,570)
<b>Total amount recognised in consolidated statement of financial activities</b> <b>. Amount gain/(loss)</b>	<b>1,031</b>	<b>(2,232)</b>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since adoption of FRS17 is a loss of £1,747,000 (2009 - £2,778,000).

Assets

	31 December 2010 £'000s	31 December 2009 £'000s	31 December 2008 £'000s	31 December 2007 £'000s
Equities	5,206	4,340	3,621	4,714
Bonds	2,995	3,906	5,361	3,734
Gilts	4,355	3,196	—	—
Cash	523	92	230	45
<b>Total assets</b>	<b>13,079</b>	<b>11,534</b>	<b>9,212</b>	<b>8,493</b>

**19 Pension costs** (continued)

In the Total Assets at 31 December 2007 and 2008 the bond holdings were not separate between corporate bonds and gilts. These amounts have not been restated. None of the fair values of the assets shown above include any of the College's own financial instruments or any property occupied by, or other assets used by, the College.

Assumptions

	<b>31 December 2010 % per annum</b>	31 December 2009 % per annum	31 December 2008 % per annum	31 December 2007 % per annum
Inflation	3.4	3.7	3.1	3.2
Salary increases			4.1	4.7
Rate of discount	5.4	5.7	6.3	5.9
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.4	3.7	3.1	3.2
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	3.4	3.7	3.1	3.2
Allowance for commutation of pension for cash at retirement	—	—	—	—

The mortality assumptions adopted at 31 December 2010 are SAPS YOB tables, Medium Cohort with a minimum improvement of 1.0% pa. These imply the following life expectancies:

Male retiring at age 60 in 2009	25.8 years
Female retiring at age 60 in 2009	28.5 years
Male retiring at age 60 in 2029	27.9 years
Female retiring at age 60 in 2029	30.6 years

Expected long term rates of return

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

	<b>Period ended 31 December 2010 % per annum</b>	Period ended 31 December 2009 % per annum	Period ended 31 December 2008 % per annum	Period ended 31 December 2007 % per annum
Equities	7.5	8.0	7.3	7.7
Corporate Bonds	5.4	5.7	5.0	5.9
Gilts	4.0	4.4	—	—
Debtor	—	—	—	3.3
Cash	0.5	4.2	3.5	4.3
Overall for scheme	5.7	6.2	5.9	6.9

19 Pension costs (continued)

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

Assumption	Change in assumption	Approximate impact on scheme liabilities
Discount rate	Increase by 0.5% p.a.	Decrease by 10%
Rate of inflation	Increase by 0.5% p.a.	Increase by 7%
Rate of salary growth	Increase by 0.5% p.a.	Increase by 2%
Rate of mortality	1 year increase in life expectancy	Increase by 2%

Amounts for the current and previous four periods

	31 December 2010 £'000s	31 December 2009 £'000s	31 December 2008 £'000s	31 December 2007 £'000s	31 December 2006 £'000s
Fair value of assets	13,079	11,534	9,212	8,493	7,914
Present value of scheme liabilities	13,386	13,426	9,981	10,535	9,789
Deficit in scheme	(307)	(1,892)	(769)	(2,042)	(1,875)
Experience adjustment on scheme assets	772	493	(1,285)	(329)	180
Experience adjustment on scheme liabilities	(244)	(155)	131	(223)	137
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	503	(2,570)	1,125	186	36
<b>Total</b>	<b>1,031</b>	<b>(2,232)</b>	<b>(29)</b>	<b>(366)</b>	<b>353</b>

20 Financial commitments

At 31 December 2010 the College had annual commitments under non-cancellable leases which expire as follows:

	Land and buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Operating leases which expire:				
Between two to five years	119,000	119,000	22,327	20,397
Over five years	25,000	1,910	—	—