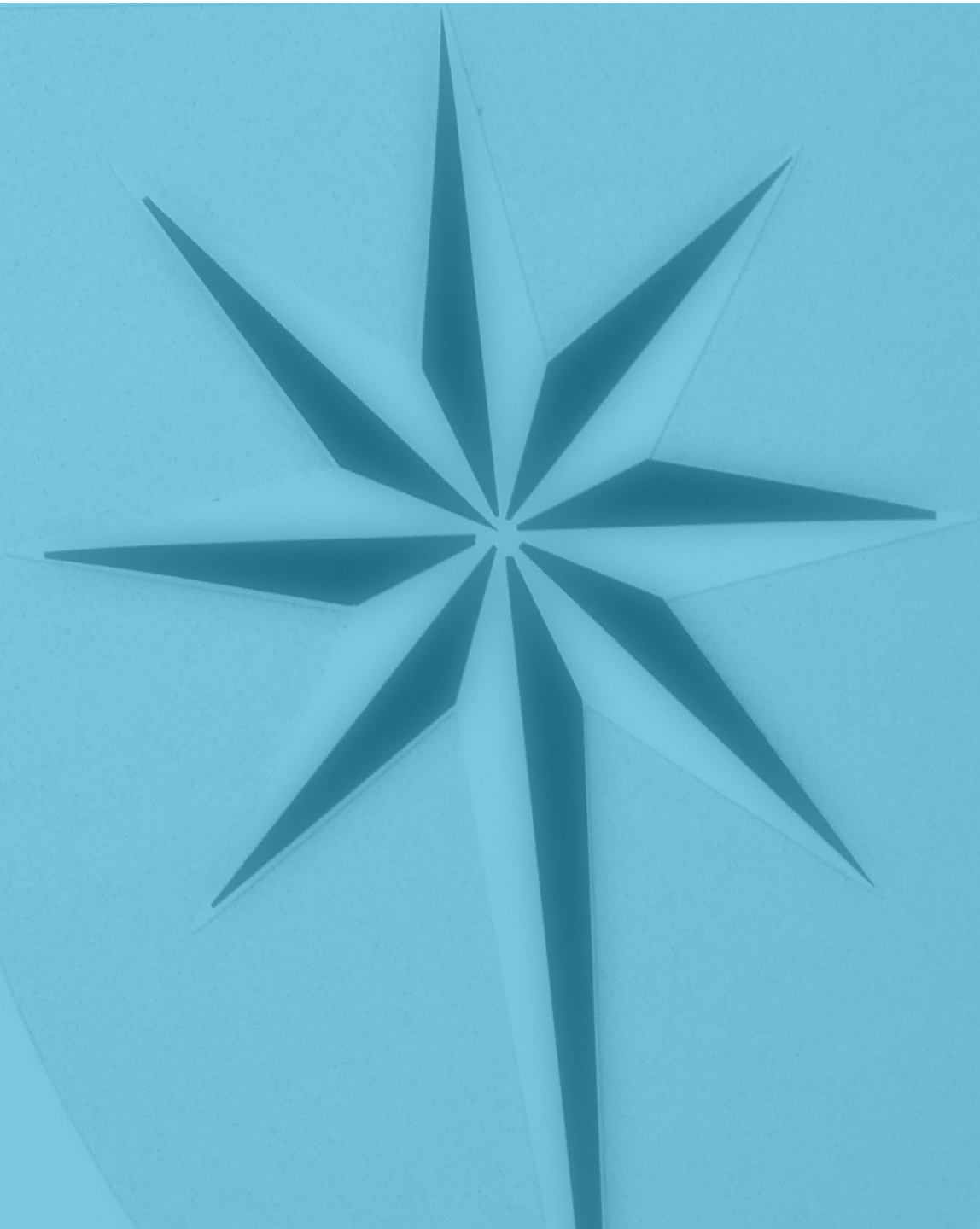




Royal College of
Obstetricians &
Gynaecologists

Consolidated Annual Report and Accounts

31 December 2014



Royal College of Obstetricians & Gynaecologists

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For the year ended 31 December 2014

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Royal College of Obstetricians & Gynaecologists

Foreword

For the year ended 31 December 2014

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London NW1 4RG

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Royal College of Obstetricians & Gynaecologists

Foreword

For the year ended 31 December 2014

Council

President	David Richmond
Senior Vice President Global Health	Paul Fogarty
Vice President UK Affairs	Ian Currie
Vice President Education	Clare McKenzie
Vice President Clinical Quality	Alan Cameron
Vice President Strategic Development	Lesley Regan
Elected Fellows	
London	Patrick O'Brien (Melanie Davies*) Diana Hamilton-Fairley
Eastern	Edward Morris
Northern/Yorkshire	Mylvaganam Kumar Kumarendran (Paul Hilton*)
South West	Jonathan Frappell
North West	Charles Kingsland
South East	Felicity Ashworth
Trent	Susan Ward (Diana Fothergill*)
West Midlands	Mark Kilby
Wales	Christopher Roseblade (Simon Emery*)
Scotland	Mary-Ann Lumsden Phil Owen
Ireland	John Morrison Robin Ashe
International (England)	Alison Wright Janice Rymer Linda Cardozo Justin Konje
International British Isles	Fionnuala McAuliffe (James Dornan*)
Elected Members	
London	Daghni Rajasingam Stergios Doumouchtsis (Narendra Pisal*)
Eastern	Medhat Hassanaien
Northern/Yorkshire	Padma Bharathi Pathi
South West	Jane Mears
North West	Andrew Pickersgill
South East	Dib Datta
Trent	Nicholas Raine-Fenning
West Midlands	Pallavi Latthe
Scotland	Vanessa Mackay (Andrew Thomson*)
Ireland	Cliona Murphy
Co-opted members:	
Chair Trainees' Committee	Matthew Prior
Vice Chair Trainees' Committee	William Parry-Smith (Andrea Pilkington*)
Academic Board	Zarko Alfirevic

Royal College of Obstetricians & Gynaecologists

Foreword

For the year ended 31 December 2014

Invited members:

Chair Women's Network	Cath Broderick
Vice Chair Women's Network	Angela Hyde,
President Faculty of Sexual & Reproductive Healthcare, RCOG	Christopher Wilkinson

Names with an asterisk (*) where members of Council up to 31st May 2014

Board of Trustees

President	David Richmond
Senior Vice President Global Health	Paul Fogarty
Vice President Strategic Development	Lesley Regan
RCOG Fellow	David Farquharson
RCOG Member	Daghni Rajasingam
RCOG Council Representative	Dib Datta
Lay Trustee	Naaz Coker
Lay Trustee	Roy Martin
Lay Trustee	Linda Nash
Lay Trustee	Eric Thomas
Observer	Kate Mathers

Senior Management Team

Chief Executive	Ian Wylie
Deputy Chief Executive and Executive Director of Global Education	Michael Murphy
Executive Director of Quality and Knowledge	Sara Johnson
Executive Director of Resources	Fred Emden
Deputy Executive Director of Resources (from 1 st December 2014)	Rachel Dell
Senior Director of External Affairs (from 1 st December 2014)	Claire Dunn

Directors of:

Marketing	Nigel Moore
Education Policy and Quality Development	Kim Scrivener
Finance	Ann Tate
Health Policy and Public Relations	Sandra Tetsola
Information Management and Technology	Gerald Chan
Meetings	Edward Horvath
Membership Relations	Lynn Whitley
Operations	Victoria Bytel
Clinical Quality	Jan Horsnell
Global Health	Anita Dougall
National Collaborating Centre, Women's & Children's Health	Rachel Cooper
	Moira Mugglestone

Royal College of Obstetricians & Gynaecologists

Foreword

For the year ended 31 December 2014

Advisers

Auditors

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London
EC1Y 0TL

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 & Braithwaite
Queen Street Place
London EC4R 1BE

Foreword

For the year ended 31 December 2014

Foreword

The College continues to grow and thrive with so many new and exciting initiatives that a foreword simply cannot do sufficient justice. We are making as much effort as we possibly can to engage with our global membership via traditional and more modern means of communication be it on social media (Facebook, Twitter or LinkedIn) or via our new membership magazine “O &G “ or the monthly e-newsletter O&G News. We receive many requests from members to become involved in College activities and I encourage you to consider accessing the e-alert “Get Involved” which outlines the opportunities available.

GLOBAL HEALTH

In 2014 the RCOG was approached by a very experienced international donor to develop a programme to improve the provision and uptake of family planning services in South Africa and Tanzania. “Leading Safe Choices” started in January 2015 for an initial three-year period. We are currently building capacity to ensure that we have the appropriate structures and governance, working with colleagues and ministries in South Africa and Tanzania. The long term goal of the initiative, undertaken in partnership with colleagues in both countries, is to strengthen clinical competences and, where legally appropriate, by promoting best practice in post-partum contraception and comprehensive abortion care in South Africa and comprehensive post abortion care in Tanzania.

We reviewed the operation of the International Representative Committee/ Liaison Groups and launched a new handbook to foster greater collaboration and project working between international groups and members. In October the RCOG launched seven expert toolkit guides to enable institutions around the world to develop and enhance education, training and standards in maternal care and secured funding for a two-year project to deliver emergency obstetric care training focusing on fistula prevention in Masaka region, Uganda. The first Marcus Filshie Fellow was also placed at Kitovu Hospital in Masaka .

In the Gulf region we have attempted to focus our efforts and promote our relationships with the appointment of a Gulf Ambassador. This successful initiative has facilitated a series of high-level health ministry and regulator meetings and the creation of two new training centres in Kuwait and Dubai. In addition, the first RCOG-PROMPT international course was held in September in the UAE as part of our partnership agreement with the PROMPT Maternity Foundation.

EDUCATION

The success and attraction of the MRCOG as an international qualification is unabated. The format, however, is changing to bring even greater global appeal. New Single Best Answer (SBA) examination questions were developed in August when 93 consultants volunteered to write the questions in preparation for the examinations in March 2015. The MRCOG Review Implementation Group and the Part 3 MRCOG Clinical Assessment remains on track for delivery (subject to GMC approval) to coincide with the first new examination in 2016.

The MRCOG Part 2 Final Preparation Enhanced Revision Programme continues to expand to six centres worldwide with over 100 candidates taking the course. Success was demonstrated when Dr Mamta Sahu MRCOG, an ERP course participant, was awarded the Vijaya Patil Award for the highest marks among all Indian students.

The DROG remains an enigma and requires further development by the Royal College of General Practitioners and ourselves to make it fit for purpose. I would hope it will encourage those not in active obstetrics and gynaecological practice to maximise their association with the College for more than simply sitting the Diploma. The opportunities for lifelong professional development and continuing education in the field of women’s health is as yet untapped of its full potential.

UK

We published the “Becoming Tomorrow’s Specialist” report, which provides a framework for professional development for all specialists at all stages of their careers. It advocates for a robust patient safety culture to be part of career development for the newly appointed specialist, as well as a major review of the continuing professional development (CPD) programme to tailor it to the individual’s job plan, service requirements, appraisal and revalidation. We also set up a working party to review the representation of Council, its remit and communication with trainees, Fellows and Members. This will report to Council and then have wider dissemination later in 2015. Other specific UK issues have surrounded abortion legislation and more recently, a specific focus on FGM. This obviously has more global ramifications however sorting the reporting of prevalence, advising government departments (including the Department of Health, the Ministry of Justice and the Home Office) on policy and promoting the College’s and government’s stance on the illegal practice has proved a significant component of our workload.

In November we also launched our new Undermining Toolkit, jointly produced by RCOG and RCM – the Toolkit was developed to provide strategic guidance on dealing with bullying and undermining. This complements the appointment in 2014 of Workplace Behaviour Champions (WBCs) in every deanery to act as a point of contact for victims of bullying and undermining and to assist in resolving any reported incidents. Although the focus is for trainees we must not forget that such behaviour also affects consultants and these problems must be tackled as soon as they are identified instead of allowing them to fester.

PROJECTS

In September 2014 the Lindsay Stewart Centre for Audit and Clinical Informatics replaced the Office for Research and Clinical Audit (ORCA) as the unit within the College responsible for delivering audit and quality improvement projects. The Centre’s programme of work is project-based and committed to partnerships that include the London School of Hygiene and Tropical Medicine (LSHTM), the Clinical Effectiveness Unit at the Royal College of Surgeons, and the Royal College of Midwives.

In October the RCOG launched its five year “Each Baby Counts” project which is a major new quality improvement initiative to reduce the number of babies who die or are left severely disabled as a result of incidents occurring during term labour. There was the completion of the national audit of Heavy Menstrual Bleeding and the start of an audit of current practice for the treatment of Group B Streptococcal disease and also a focus on severe perineal trauma in the UK.

The National Collaborating Centre for Women and Children’s guideline development (NCC-WCH) returned to the College premises and I am delighted to say has grown from strength to strength. Furthermore, the NHS England Women’s Health Patient Safety Expert Group is now hosted by the RCOG and will enhance our standing in the field of improving the health and safety of all aspects of women’s health.

I look back on 2014 with considerable pride. As you have read, the College is extremely active in the UK and around the world with many new and exciting projects and I encourage as many Fellows and Members to become involved with any of these activities in 2015 and beyond.

Dr David Richmond
President

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 specialty by working with other organisations in health and in the care of women.

Our activities are funded through examination charges and educational activities, membership fees, 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.

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.

Governance Structure

The Board of Trustees, chaired by the President, combines both clinical leadership with wider expertise, essential to charity governance. Its participants include 6 O&G Trustees – the President, Senior Vice President, a Member or Fellow elected from Council and 2 Members or Fellows of the College in active practice. The Board also includes 5 lay Trustees.

The governance of the College is supported through Council that develops policies and activities on all clinical and professional matters for women's health and recommends 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 19 elected Fellows, 11 elected Members, 2 Trainee representatives, the Chair of the Academic Board, the Chair and Vice Chair 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.

Royal College of Obstetricians & Gynaecologists

Report of the trustees

For the year ended 31 December 2014

The changes to the governance structure during 2013 have been very positive. The Board of Trustees is providing the required scrutiny to the financial, business and legal matters and Council is engaged with the clinical priorities of the College.

The RCOG encourages diversity on all College Boards and Committees.

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 of the incoming resources and application of resources of the College 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 proper 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. They are also responsible for safeguarding the assets of the College 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.

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 President appraises the progress made by Trustees, 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 President on an annual basis.

Report of the trustees

For the year ended 31 December 2014

Charity and related parties

Purchase invoices for administrative support were paid to the business of the Senior Vice President for Global Health, to the value of £2,993 during the year. This facilitated the work of the NIRCOG Committee work. There were no outstanding charges at the end of the year. Details of this business interest is recorded in the Declaration of Personal Interest Register.

Strategic Report

The College has had another very busy and successful year. This strategic plan is regularly updated and is received by Council and the Board of Trustees in line with achievements, outcomes and progress towards future opportunities and challenges that lie ahead.

Strategic goals and objectives 2014–17

1. Develop and promote the quality of clinical care through life-long education of doctors in training and of trained doctors, and through the development of clinical standards

1. Establish RCOG clinical audit and data/informatics unit and an invited diagnostic service into quality and clinical governance in NHS hospitals
2. Identify key clinical issues for improvement in the UK
3. Establish global training and examination hubs, e.g. in the Middle East
4. Create global partnerships for clinical quality
5. Working with RCOG faculty and stakeholders, improve the quality of postgraduate education and training
6. Work for effective configuration and staffing of clinical services, as set out in High Quality Women's Health Care

2. Ensure life-long education, professionalism and leadership in the specialty

7. Complete and implement RCOG regionalisation project
8. Review and implement Council representational structures
9. Implement recommendations of Tomorrow's Specialist and Becoming Tomorrow's Specialist reports
10. Establish a UK Board, and make internal changes to ensure high quality educational resources are available for revalidation and continuing professional development (CPD)
11. Set and implement targets for equality and diversity
12. Create and implement an 'RCOG 2020' infrastructure development plan

3. Demonstrate advocacy for women's health

13. Create a repository of excellence in women's health care
14. In partnership with other organisations, develop and promote a women's public health strategy
15. Develop and implement an RCOG global health action plan
16. Review and strengthen policy and public relations work
17. Meet ambitious fundraising targets for new philanthropic UK and global projects
18. Establish an RCOG 'global voice' to advocate for women's reproductive health rights, particularly fistula, female genital mutilation, termination of pregnancy and child pregnancy

Report of the trustees

For the year ended 31 December 2014

Achievements and Performance

Key achievements in 2014 were as follows:

Improving clinical quality, insight and patient engagement linking to Strategic goal 1.

- In September 2014 the Lindsay Stewart Centre for Audit and Clinical Informatics replaced ORCA as the unit within the College responsible for delivering audit and quality improvement projects. The Centre's programme of work is project-based and committed to partnerships that include LSHTM, the Clinical Effectiveness Unit at the Royal College of Surgeons, and the Royal College of Midwives.
- Completed the Heavy Menstrual Bleeding Audit with publication of the 4th and final report in July 2014. The final report of the The Healthcare Quality Improvement Partnership (HQIP) funded 4-year audit of the treatment of women with heavy menstrual bleeding.
- The RCOG increased the number of assessors undertaking RCOG Invited Reviews and held two training sessions attended by doctors and midwives. In 2014 RCOG completed 20 Invited Reviews making recommendations to help NHS organisations improve patient safety and piloted the involvement of lay assessors in the review teams.
- In October RCOG launched the 'Each Baby Counts' project at an event attended by over 300 stakeholders and health care professionals; this is a major new five year national quality improvement programme to reduce the number of babies who die or are left severely disabled as a result of incidents occurring during term labour.
- RCOG established the Women's Voices Involvement Panel, which is an online group of over 200 members of the public who want to use their experience of women's health services to influence the work of the College and the wider women's health sector.
- NCC-WCH had thirteen guideline commissions in 2014 and in December NCC-WCH submitted three draft guidelines to NICE (diabetes in pregnancy, diabetes in children and young people, and gastro-oesophageal reflux disease in children and young people) and published the update of the intrapartum care guideline. Earlier in the year another draft guideline (bronchiolitis in children) and three draft scopes (cerebral palsy, cystic fibrosis, and end of life care in infants, children and young people) were submitted to NICE.
- Melanie Davies was appointed as NCC-WCH Clinical Director for Women's and Children's Health from 1 December 2014 and RCOG secured its second National Medical Directors Clinical Fellow, Dr Ed Prosser-Snelling MRCOG.

Advancing excellence in training, education and examinations linking to Strategic goal 1.

- Introduction of new-format workplace-based assessments in the O&G specialty training programme in August 2014 and 93 consultants from across the British Isles volunteered to write Single Best Answer (SBA) examination questions in regional groups, in preparation for the new Part 2 MRCOG examination format in March 2015.
- MRCOG Review Implementation Group and the Part 3 MRCOG Clinical Assessment remain on track for delivery (subject to GMC approval) of the first new examination in 2016. Piloting of the new examination took place in October 2014 prior to a planned submission to the GMC in early 2015.
- A new examination centre opened in Nepal in September 2014 while in November a Memorandum of Understanding was signed with the Indian College of Obstetricians and Gynaecologists of the Federation of Obstetric and Gynaecological Societies of India (FOGSI) concerning the promotion of examinations and training opportunities in obstetrics and gynaecology in India.

Royal College of Obstetricians & Gynaecologists

Report of the trustees

For the year ended 31 December 2014

- The MRCOG Part 2 Final Preparation Enhanced Revision Programme continued to expand to 6 centres worldwide with over 100 candidates taking the course. The College was particularly delighted that Dr Mamta Sahu MRCOG, an ERP course participant, was awarded the Vijaya Patil Award for the highest marks among all Indian students.
- Establishment of new Education Quality Assurance Framework and committee to develop and action an overall strategy for educational quality assurance (QA) for approval by the RCOG Education Board.

Supporting life-long learning linking to Strategic goal 2.

- In 2014 the College published the 'Becoming Tomorrow's Specialist' report, which provides a framework for professional development for all specialists at all stages of their careers. The report advocates a robust patient safety culture to be part of career development for the newly appointed specialist, as well as a major review of the continuing professional development (CPD) programme to tailor it to the individual's job plan, service requirements, appraisal and revalidation.
- Launch of Faculty Development Framework in October 2014, to recognise the contribution of our Fellows, Members and Trainees to the education of O&G doctors. The framework can be used as evidence for CPD, inform our train the trainer programmes and help FMTs progress through the Faculty Tiers.
- The new Undermining toolkit launched in November, jointly produced by RCOG and RCM – the Toolkit was developed to provide strategic guidance on dealing with bullying and undermining. This complements the appointment in 2014 of Workplace Behaviour Champions (WBCs) in every deanery to act as a point of contact for victims of bullying and undermining and to assist in resolving any reported incidents.
- New document outlining strategic priorities for eLearning was developed and the StratOG eLearning website was re-structured to make content easier to find. Seven new resources launched in 2014 including workplace based assessment resource, advanced training online dermatology resource and a train the trainers' ultrasound package.
- A dedicated CPD programme for international Fellows and Members is now in development.

Jewels in the BJOG 'CROWN' linking to Strategic goal 1.

- Collaboration was a key focus for BJOG in 2014. The CROWN initiative was launched by BJOG – a collaboration of over seventy O&G journals aimed at encouraging the creation of core outcome sets for research in women's health. In addition, seven supplements were produced by BJOG, broadening the scope of the research published, including two supplements with the WHO and one with the Liverpool School of Tropical Medicine,
- A comprehensive review of TOG (the College's flagship CPD Journal) was completed and a strategic forward development plan produced to ensure TOG remains fit for purpose for Fellows, Members and Trainees (FMTs).

Promoting global health, international development linking to Strategic Goal 3.

- RCOG has secured three year funding of \$9.7m for a new Family Planning Programme- 'Leading Safe Choices' with the first instalment available start work in January 2015. This is a long-term partnership with colleagues in South Africa and Tanzania to mainstream best practice in the provision of long acting postpartum contraception and, where appropriate, comprehensive abortion care. We have the support of an experienced international donor to embark on this long term partnership with a triple track approach working closely with government ministries and partners on the ground.

Royal College of Obstetricians & Gynaecologists

Report of the trustees

For the year ended 31 December 2014

- In partnership with the Royal College of Surgeons, RCOG has delivered three courses (training more than 100 trauma surgeons) deploying to conflict and humanitarian situations under the Surgical Training for Austere Environments programme. In October RCOG launched seven expert toolkit guides to enable institutions around the world to develop and enhance education, training and standards in maternal care and secured funding for a 2 year project to deliver emergency obstetric care training on fistula prevention in Masaka region.
- First Marcus Filshie Fellow placed at Kitovu Hospital in Masaka, to allow Dr Florence Nalubega to be trained at the Hamlin Fistula Hospital in Ethiopia funded by FIGO and through a Gift in Kind from Johnson & Johnson, RCOG has benefited from an extensive 6 month research project to inform our next steps in the fistula project at Kitovu in Uganda.
- Improved selection and induction of MTI trainees including introducing communication skills training to 'kick start' trainees experience in the NHS. Following the introduction of MRCOG Part 1 in Nigeria 2012, welcomed the first Nigerian MTI trainees.
- Successful Challenge Events (including the Ride London cycling event) raised over £3k for global health work in women's health.

Growing in the Gulf linking to Strategic goal 3.

- Appointment of the RCOG 'Gulf Ambassador' has stimulated broader and deeper relationships across the Gulf Region including a series of high-level health ministry and regulator meetings and proposals for two planned new training centres in Kuwait and Dubai.
- RCOG also co-produced major (host county sponsored) O&G conferences in Kuwait in October and Qatar in December and signed a Heads of Agreement with Iraq to build capacity and support the education and training of doctors and developed a MoU with the Health Ministry of Kuwait. September 2014 witnessed the first ever RCOG-PROMPT international course held in September in the UAE as part of our partnership agreement with the PROMPT Maternity Foundation.

Shaping health policy and engaging with stakeholders linking to Strategic goal 3.

- RCOG has continued to focus on working with the Intercollegiate Group to further eradicate Female Genital Mutilation (FGM) in the UK and has established an FGM Task Force to advise the President, Officers and Council on FGM issues. The College has coordinated with RCM and PHE to produce information for healthcare professionals on Ebola and pregnancy care.
- The College boosted its external affairs profile and collaborated with external partners including the Women's Institute to organise breakfast briefings at the autumn political party conferences. RCOG drafted a women's public health statement and a RCOG/FSRH 'Manifesto' for the General Election 2015.
- International Women's Day event with Baroness Kinnock as keynote speaker, trained 200 clinical and non-clinical health professionals on disseminating a human rights checklist that is now co-badged by FIGO and RCOG.

Improving communications and member services linking to Strategic goal 3.

- RCOG launched a completely new mobile-friendly corporate website providing better search, navigation and content design, reflecting feedback from both clinicians and public to aid communications and access to RCOG services by members and the wider community and redesigned all College email communications templates to align with new look website and visual identity/branding.

Royal College of Obstetricians & Gynaecologists

Report of the trustees

For the year ended 31 December 2014

- Launched the membership magazine O&G, providing member case studies and news from around the world, revamped O&G eNews; a monthly e-newsletter with the latest developments and news in women's health and introduced a new Get Involved e-alert, informing members of the latest opportunities to participate in College work.
- Undertook second Annual Membership Attitudes and Satisfaction survey with a response rate of 27% with generally positive results across the board on all key measures including Value for Money and Involvement in College Activities.
- Renewed the approach to careers information and outreach with 265 aspiring O&G professionals attending the second Careers Day for medical students in conjunction with the British Undergraduate Society of O&G (BUSOG) while 240 school children considering a career in healthcare attended our Annual Christmas Lecture for Young People
- Over 20 RCOG Awards and Prizes made available through benefactors to recognise, share and develop O&G expertise

Delivering world-class conferences, events and training courses linking to Strategic goal 2.

- RCOG has had a record year in 2014 with almost 10,000 delegate registrations for all courses, congress and franchised events. The RCOG World Congress sold out for the 2nd year in a row. The Congress in Hyderabad, India was the single biggest, most successful event to date, with over 3,500 participants.
- The Annual Professional Development Conference once again sold out with over 350 senior consultants taking part in 3 days of lively debates and updates on topics of current interest. The 13th European Congress in Paediatric and Adolescent Gynaecology was held in September 2014 that attracted over 300 participants from 22 countries.
- 2014 saw the launch of the RCOG Operative Birth Simulation Training package (ROBuST) that has been developed to provide guidance and materials for local trainers to deliver training course within their own regions. Training the Trainers courses will be held at the College from 2015 onwards.

Investing in new technology for a connected College linking to all Strategic goals.

- The College has continued its investment programme to support its core systems such as the new IP office telephone system and college wide Wi-Fi and mid 2014 saw the Education Centre Lecture Theatre upgraded from an analogue infrastructure to a high definition digital infrastructure, able to support the latest technologies.
- The IM&T department has also made improvements to allow RCOG staff to embrace remote working by improving remote connectivity using Citrix and continuing to improve video conference facilities.

'RCOG Trading Places' linking to Strategic goal 3.

- RCOG rebranded the 'Domus' overnight accommodation to 'Rooms on Regents Park' in May, with the aim of increasing weekend occupancy and revenue. Enhancements to the guest experience include 'The Study' – a quiet area for guests wanting to work, pick up emails, print travel/theatre tickets etc. Revenue increased by 16% increase on 2013
- Venue hire business has also been rebranded under the same name, encompassing conference and event space. RCOG now has a dedicated website www.rorp.co.uk which promotes both overnight accommodation and conference facilities, with revenue for the latter forecast to reach £1.3 million – a 5% increase.

Future Plans

The Operational activities planned for 2015-2016 are:

1. Develop and promote the quality of clinical care through life-long education of doctors in training and of trained doctors, and through the development of clinical standards

1. Expand the College invited reviews programme to advise on configuration of high quality clinical services
2. Develop quality improvement programmes related to third-/fourth-degree tears and stillbirths, neonatal deaths and brain injuries (Each Baby Counts)
3. Support the NHS in developing policy related to termination of pregnancy and mesh
4. Work with NHS England and the Care Quality Commission (CQC) on clinical quality and safety
5. Complete the revision of the MRCOG exam
6. Open exam centres in Lebanon and Indonesia in 2015, preceded by a structured programme of candidate preparation, and develop more centres in 2016
7. Keep the eLearning strategy and priorities under review and ensure that overseas ATSMs are the highest priority
8. Review and create a new framework for O&G curricula (Curriculum Review Working Group)
9. Continue the workplace behaviours work into bullying and undermining
10. Contribute to the next stages of the 'Shape of Training' report
11. Develop a plan for DRCOG candidates to form a long-term relationship with the RCOG
12. Develop an RCOG knowledge management strategy

2. Ensure life-long learning, professionalism and leadership in the specialty

1. Implement recommendations for a UK Board with staff support to the Vice President, UK Affairs
2. Continue RCOG faculty development, setting standards and facilitating trainer development
3. Assess the value to the College of funding the Arulkumaran Clinical Fellowship
4. Establish the External Affairs directorate to strengthen the external effectiveness of the College in advocacy
5. Introduce new performance monitoring of the strategic plan for the Board of Trustees and Council
6. Introduce Investors in People and work towards accreditation in Q4 2015
7. Establish a strong grounding for the 'RCOG 2020' infrastructure plan
8. Manage annual cost and capacity issues

3. Develop advocacy for women's health

1. Support the Women's Network Strategic Plan to increase patients' and the public's involvement in RCOG
2. 'Leading on women's health' task and finish group to report in Q2 2015
3. Work with partners on specific projects in women's health, e.g. the Faculty of Sexual and Reproductive Healthcare (FSRH), the Royal College of General Practitioners (RCGP), the Royal College of Midwives (RCM), the Royal College of Nursing (RCN)
4. New External Affairs team to carry out a strategic review of the RCOG's external relations and partnerships
5. Support the Development team to establish an effective fundraising function
6. New funded programme 'Leading Safe Choices' established and reporting effectively to the donor and to the Board of Trustees/Council
7. New Policy team established within the External Affairs directorate
8. External Affairs directorate to work with the Global Health Unit to develop a global women's rights strategy

Report of the trustees

For the year ended 31 December 2014

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 the setting of standards, 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 also where the College delivers targeted help in under-resourced regions.

Principal Risks and Uncertainty

The Audit & Risk Committee, as part of its duties, oversees risk management activity at the College. These activities include identifying the major risks faced by the College and ensuring that appropriate systems and controls are in place to mitigate the risks identified. Risk management is viewed as a dynamic cycle of assessment, action and review. The Audit & Risk Committee reports directly to the Trustees.

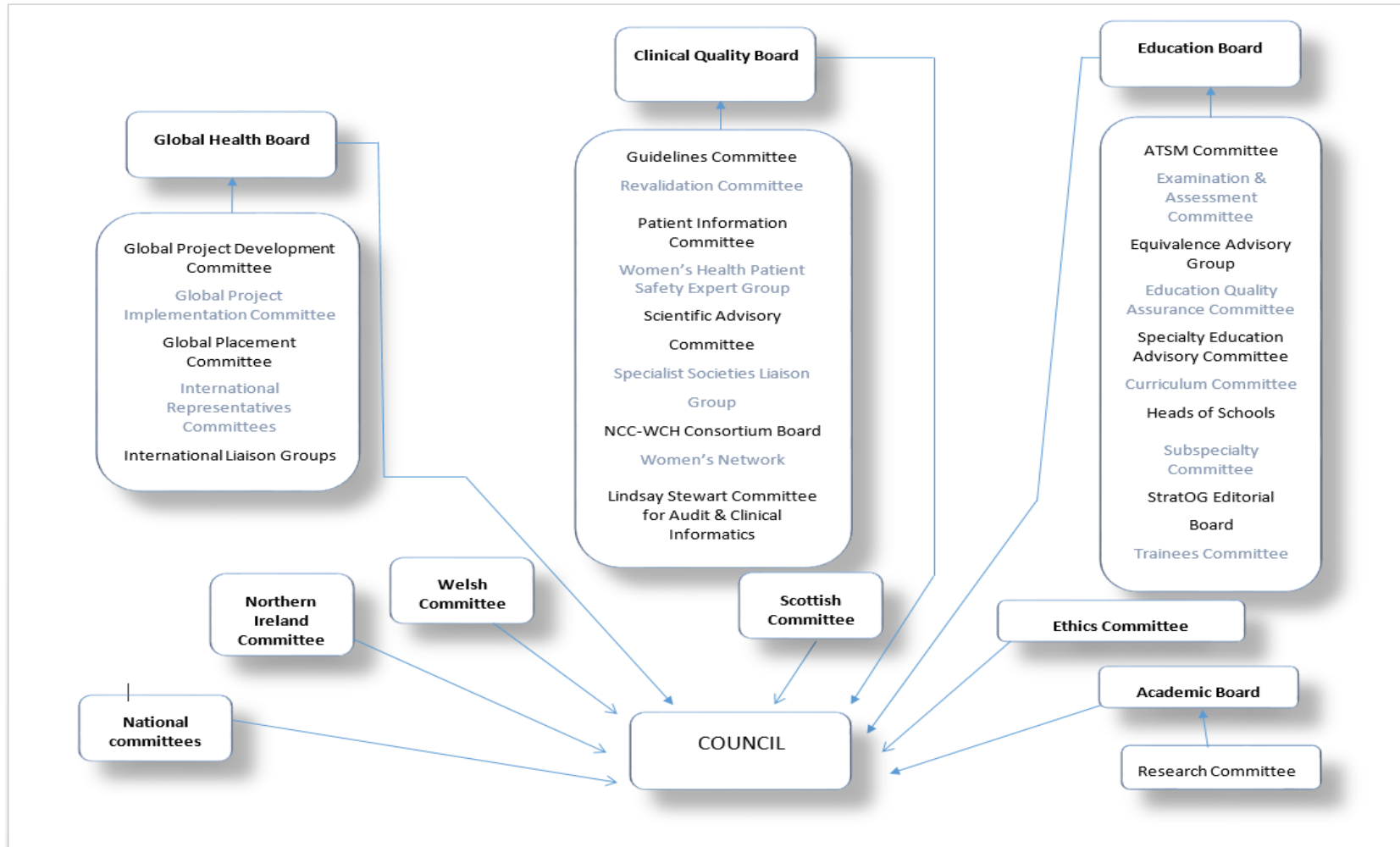
The three most significant risks identified are:

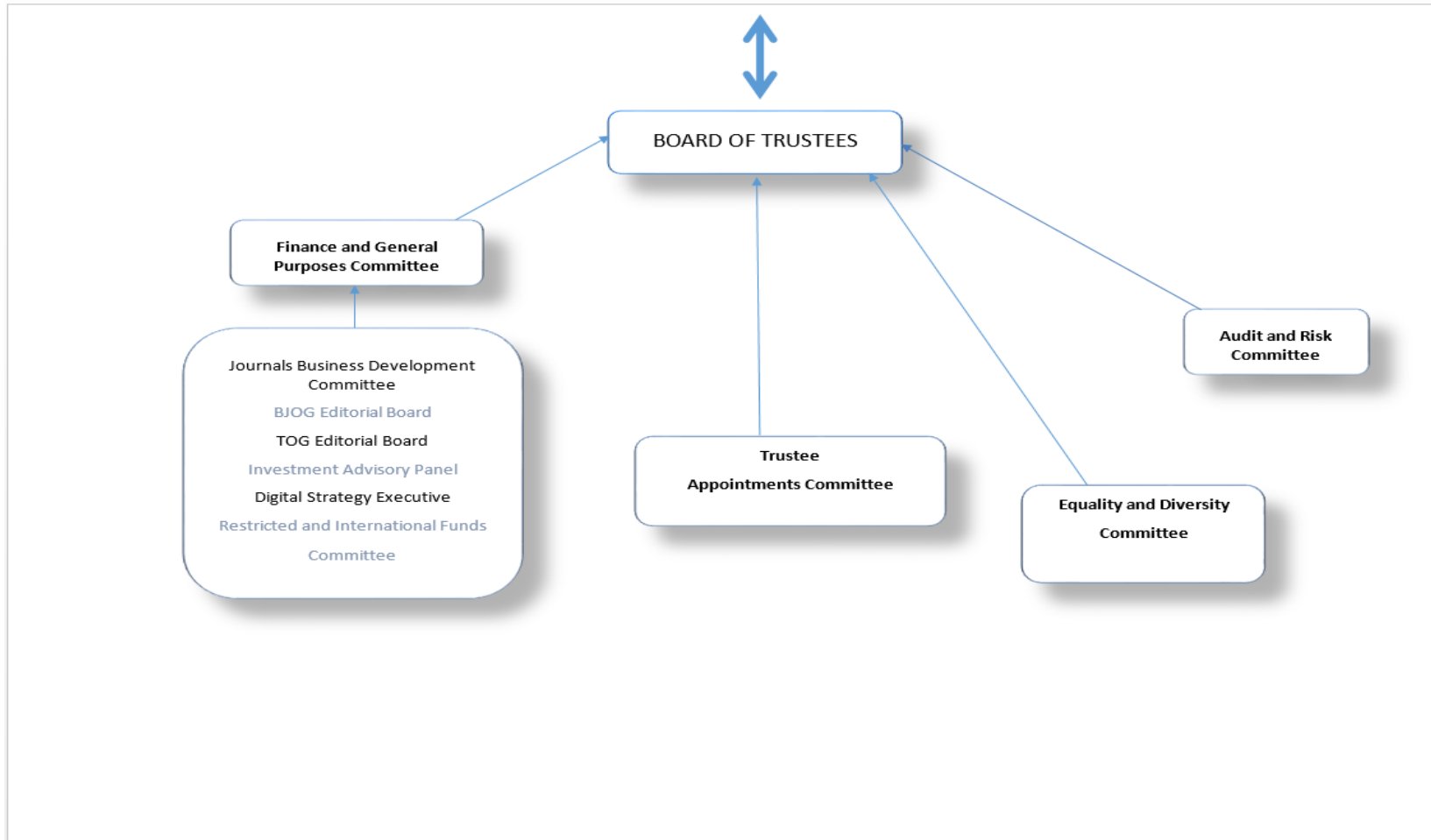
- **The effect of the Defined Benefit Pension Liability**
Managed through the appointment of a professional chair to the multi-employer scheme; the engagement of all employers within the scheme; and the recognition of the scheme as a significant financial liability requiring long term financial planning.

- **Capital loss or liquidity issues resulting from higher risk investment vehicles**
Managed through the review of all major investments through the Investment and Advisory Panel and reviewed by the Finance and General Purposes Committee (F&GPC). All decisions must align with risk profile deemed acceptable by the Trustees.

- **Financial exposure from inaccurate advice and/or poor contract drafting**
Managed through the appropriate use of external legal advice and regular review of external consultant appointments.

Committee Structure 2014





Royal College of Obstetricians & Gynaecologists

Report of the trustees

For the year ended 31 December 2014

Financial Review

Report from the Vice President, Strategic Development

2014 Overview

It remains essential to establish and maintain a strong financial and business model to support and prioritise all the of the RCOG's key strategic objectives and to allow the College to build for the future.

I am pleased to report that we have ended the year with a positive operational surplus of £623,145 (2013: £951,509).

This surplus was generated as a result of a number of contributing factors.

Although income was down overall in comparison to the 2013 results, which partly relates to the receipt of a significant legacy during that year, there were a number of outstanding achievements in 2014. The Hyderabad World Congress in India took place in March 2014, where attendance exceeded expectations by more than 80%. RCOG Trading Ltd had an exceptional year and continues to contribute a vital surplus in support of College activities. Income from hospital reviews was buoyant with growth of more than 33% on 2013.

A payment of c£721,000, was made towards the College's portion of the deficit identified by the triennial valuation of the defined benefit pension scheme. The reduction to the general reserve was partially mitigated by the in year operational surplus.

Policy on Reserves

The total reserves balance of £27,897,310 includes endowments, restricted funds and fixed assets, the largest of which is the building, which is not actually owned by the College. Only a small proportion of the reserve is backed by unrestricted, freely realisable cash.

In order to support its ongoing commitments and its contractual obligations, RCOG maintains a free reserve at the level of 6 - 9 months of running costs. This reserve allows RCOG to properly manage risk and to be capable of realising unforeseen opportunities that may arise from time to time.

At 31 December 2014, the free reserves amounted to £7,756,146 (2013: £7,945,789) (see note 16 on page 38). This represents approximately 8 months of the 2014 budgeted running costs. These funds are invested in short and medium term vehicles and continue to generate a small but steady income.

The Trustees annually review the amount of free reserves, to ensure that they are sufficient to manage the business. The total of free reserves is calculated as follows:

	2014	2013
General Funds	8,361,475	8,263,928
Less General Funds represented by Plant, Furniture and Equipment	(605,329)	(318,139)
Total free reserves	£7,756,146	£7,945,789

Report of the trustees

For the year ended 31 December 2014

Designated funds

Designated funds reflect a total of £11,260,392 (2013: £11,698,881), which includes the heritage fund of £300,000, representing the valuation of those historic donations of furniture, books, pictures and equipment which need to be included in the balance sheet under SORP 2005, and £9,206,644 leasehold property fund held for continuing use by the College. Details on all remaining funds are included in notes 17 to 18 on pages 39 to 46 of the Annual Accounts.

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.
- 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 three ways:
 1. Cash holding, sufficient to meet the working capital requirements of the charity, to achieve available returns within the risk parameters set out in 3.4
 2. Reserves with a medium term horizon are invested on a cash + basis in diversified funds
 3. Reserves with a longer time horizon are managed to maximise real return within a risk profile associated with real assets

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 the year, 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 notes 17 to 18 on pages 39 to 46.

RCOG has an ethical investment policy to ensure that its investments do not conflict with its aims. This precludes direct investment in tobacco production, companies that manufacture arms or those that aggressively market breast milk substitutes. RCOG understands that when entering into certain pooled and diversified growth funds, it is unable to control the detailed stock allocation.

Royal College of Obstetricians & Gynaecologists

Report of the trustees

For the year ended 31 December 2014

Fund Management

Funds managed by Newton Investment Management (NIM) showed a total surplus return of 3.25% for the year. Funds managed in year by Blackrock showed a total surplus return 4.59% for the year.

The total market investment portfolio grew by 14%, from £14,515,814 in 2013 to £16,510,063 in 2014.

The remaining value of the fund balance relating to the Lindsay Stewart legacy was £998,561. This was evenly split between both NIM and Blackrock and generally mirrored the investment holdings of College funds by each of the investment houses.

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 13 on page 37 of the Annual Accounts.

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 £639,462 (2013: £595,543), 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 was up by 6% and "Rooms on Regent's Park" income up by 17%, on 2013. This upturn was due to the continued focus on the marketing of facilities and further development of the offering.

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 2013 was concluded and revealed a funding shortfall of c£2.9m. A 10 year repayment plan was agreed with the employers and RCOG made an initial payment of c£721,000 with further deficit repayments scheduled from 2017.

At 31 December 2014, the accounting liability was £1,100,000 (2013: £932,000). The adverse movement is primarily due to the fall in the value of gilt yields and the corresponding effect on technical provisions. Further details of the schemes can be found in note 21 on pages 47 to 52 of the Annual Accounts.

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

These accounts have been approved by the Trustees on 22 May 2015 and are signed on their behalf by



Professor Lesley Regan MD FRCOG
Vice President, Strategic Development

Independent auditors' report

To the trustees of

Royal College of Obstetricians & Gynaecologists

We have audited the financial statements of Royal College of Obstetricians & Gynaecologists for the year ended 31 December 2014 which comprise the Group Statement of Financial Activities, the Group and Parent Charity Balance Sheets, the Group cashflow statement 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 trustees as a body, in accordance with 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 trustees 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. 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 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 group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 31 December 2014, and of the group's incoming resources and application of resources, for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Charities Act 2011.

Independent auditors' report

To the trustees of

Royal College of Obstetricians & Gynaecologists

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 2011 requires us to report to you if, in our opinion:

- The information given in the report of the trustees 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.

Sayer Vincent LLP

29 May 2015

Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

Sayer Vincent LLP is eligible to act as an 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 31 December 2014

	Note	Endowment £	Restricted £	Unrestricted £	2014 Total £	2013 Total £
Incoming resources						
Generated Funds	2	31,889	230,300	1,924,237	2,186,426	3,009,134
Charitable activities	3	-	426,478	10,507,888	10,934,366	11,421,580
Total incoming resources		31,889	656,778	12,432,125	13,120,792	14,430,714
Resources expended						
Costs of generating voluntary income		-	-	869,616	869,616	926,955
Charitable activities		-	416,714	11,156,307	11,573,021	12,478,057
Governance costs		-	-	55,010	55,010	74,193
Total resources expended	5	-	416,714	12,080,933	12,497,647	13,479,205
Net incoming resources before transfers		31,889	240,064	351,192	623,145	951,509
Gross transfers between funds	17/18	(2,657,807)	2,661,955	(4,148)	-	-
Net incoming resources before other recognised gains and losses	7	(2,625,918)	2,902,019	347,044	623,145	951,509
Other recognised gains						
Gains on investment assets	13	45,131	9,860	225,014	280,005	606,480
(Losses)/gains on defined benefit pension scheme	21	-	-	(1,081,000)	(1,081,000)	(1,187,000)
Net movement in funds	17/18	(2,580,787)	2,911,879	(508,942)	(177,850)	370,989
Reconciliation of funds						
Total funds brought forward		6,584,686	2,459,665	19,030,809	28,075,160	27,704,171
Total funds carried forward	16	4,003,899	5,371,544	18,521,867	27,897,310	28,075,160

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 17 and 18 to the financial statements.

Royal College of Obstetricians and Gynaecologists

Balance sheet

For the year ended 31 December 2014

	Note	Consolidated		Charity	
		2014	2013	2014	2013
		£	£	£	£
Fixed assets					
Tangible fixed assets	11	10,111,973	10,049,335	10,111,973	10,049,335
Investments	13	16,510,063	14,515,838	16,510,065	14,515,840
		26,622,036	24,565,173	26,622,038	24,565,175
Current assets					
Stocks		35,026	50,844	5,935	8,802
Debtors	14	908,601	980,139	773,123	870,482
Cash at bank and in hand		4,125,706	6,485,139	4,125,706	6,485,139
		5,069,333	7,516,122	4,904,764	7,364,423
Liabilities					
Creditors: amounts falling due within one year	15	(2,694,059)	(3,074,135)	(2,729,492)	(2,922,438)
		2,375,274	4,441,987	2,175,272	4,441,985
Net current assets					
		2,375,274	4,441,987	2,175,272	4,441,985
Total net assets excluding pension liability					
	16	28,997,310	29,007,160	28,797,310	29,007,160
Pension (liability)/asset					
	21	(1,100,000)	(932,000)	(1,100,000)	(932,000)
Total net assets including pension liability					
		27,897,310	28,075,160	27,697,310	28,075,160
Capital funds					
	17				
Permanent endowment funds		2,454,282	5,016,820	2,454,282	5,016,820
Expendable endowment funds		1,549,617	1,567,866	1,549,617	1,567,866
		4,003,899	6,584,686	4,003,899	6,584,686
Income funds					
	18				
Restricted funds		5,371,544	2,459,665	5,371,544	2,459,665
Unrestricted funds					
General funds		8,361,475	8,263,928	8,361,475	8,263,928
Designated funds		11,260,392	11,698,881	11,260,392	11,698,881
Total funds excluding Pension Fund		28,997,310	29,007,160	28,997,310	29,007,160
Pension fund		(1,100,000)	(932,000)	(1,100,000)	(932,000)
Total charity funds					
		27,897,310	28,075,160	27,897,310	28,075,160

Approved by the Trustees on 22 May 2015 and signed on its behalf by



Professor Lesley Regan MD FRCOG
Vice President, Strategic Development

Royal College of Obstetricians and Gynaecologists

Consolidated cashflow statement

For the year ended 31 December 2014

	2014	2013
£	£	£
Net cash flow from operating activities	(606,879)	2,042,847
Returns on investments & servicing of finance		
Interest received	118,628	108,298
Dividends received	<u>241,558</u>	<u>157,892</u>
	360,186	266,190
Capital expenditure & financial investment		
Acquisition of tangible fixed assets	(398,519)	(309,260)
Disposal of tangible fixed assets	-	35,804
Disposal of fixed asset investments	-	7,838,876
Purchase of fixed asset investments	<u>(1,714,244)</u>	<u>(10,325,025)</u>
	<u>(2,112,763)</u>	<u>(2,759,605)</u>
Net cash flow	<u>(2,359,456)</u>	<u>(450,568)</u>

Notes to the cashflow statement

1. Reconciliation of net incoming resources to net cash flow from operating activities

	2014	2013
	£	£
Net incoming/(outgoing) resources for the year	623,145	951,509
FRS17 Pension Adjustments	(913,000)	48,000
Investment income receivable	(360,186)	(266,190)
Decrease/(Increase) in debtors	71,538	218,528
Decrease in stock	15,818	195,309
Increase/(decrease) in creditors	(380,076)	536,415
Depreciation	335,881	359,276
Net cash flow from operating activities	<u>(606,879)</u>	<u>2,042,847</u>

2. Analysis of change in net debt

	At 1 January 2014	Cash flows	As at 31 December 2014
	£	£	£
Cash at bank and in hand	6,485,139	(2,359,432)	4,125,706
Cash held by investment managers	<u>24</u>	<u>(24)</u>	<u>-</u>
	<u>6,485,163</u>	<u>(2,359,456)</u>	<u>4,125,706</u>

Notes to the financial statements

For the year ended 31 December 2014

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Charities Act 2011. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

Consolidated financial statements have been prepared which include the College and its wholly owned trading subsidiary.

In accordance with the provisions of the Charities SORP, a statement of financial activities for the College alone has not been prepared.

The parent charity's gross income was £11,603,000 (2013: £13,072,000) with net movement in funds of £(1,044,000) (2013: (£396,000))

- b) Income is accounted for on a receivable basis.

Subscription income received in advanced 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 when received or receivable, whichever is earlier, unless they relate to a specific future period in which case they are deferred.

Legacy income is recognised when the amount receivable is reliably known and the ultimate receipt is reasonably certain.

- c) The cost of generating funds comprises the costs of generating funds for the college including the expenditure of the trading subsidiary and investment manager's fees.

Expenditure incurred in connection with the specific objects of the charity is included in the cost of the charitable activities. Direct 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 and Trustees, the Finance and General Purpose Committee, Overseas Committee, Officer's expenses and all other Committees. Support costs other than finance costs are apportioned between costs 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 as explained above.

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.

Notes to the financial statements

For the year ended 31 December 2014

1. Accounting policies (continued)

- d) General funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives of the College.

Designated funds comprise general funds which have been set aside at the discretion of the Finance and General Purpose Committee 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 is applied towards specific or general purposes in accordance with the terms of the endowment.

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 is 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.

- e) Tangible fixed assets other than donated assets are initially recognised at cost including any incidental expenses of acquisition. The capitalisation limit is £10,000.

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 life as follows:

Leasehold buildings	the lower of 50 years and the period of the lease
Plant	10 years
Furniture and fittings	5 years

Donated assets include historic donations of furniture, books, pictures and equipment by the late Professor Blair-Bell and others. Certain assets, which the College does not intend to sell, were professionally valued in 2008.

The remaining donated assets fulfil the definition of heritage assets according to FRS 30. The assets have not been included in the balance sheet because the cost of ascertaining their value would outweigh the benefit.

- f) 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 and were professionally valued in December 2008.

The ultimate realisable value of these items would, in the Trustees' opinion be equal to or greater than their book values and on this basis no depreciation charge is provided. The Trustees 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.

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2014

1 Accounting policies (continued)

- g) Stocks are valued at the lower of cost and net realisable value. Library books are written off as expenditure is incurred.
- h) 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.
- i) The costs of operating leases are charged to the Statement of Financial Activities on a straight line basis over the life of the lease.

2. Generated funds

	Endowment	Restricted	Unrestricted	2014 Total	2013 Total
	£	£	£	£	£
RCOG Trading Limited	-	-	1,461,550	1,461,550	1,358,617
Investment income	31,889	209,669	118,628	360,186	266,190
Donations and legacies	-	20,631	25,065	45,696	804,683
Accommodation and service charges	-	-	181,228	181,228	192,286
Other income	-	-	137,766	137,766	387,358
Total	<u>31,889</u>	<u>230,300</u>	<u>1,924,237</u>	<u>2,186,426</u>	<u>3,009,134</u>

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2014

3. Incoming resources from charitable activities

	Endowment	Restricted	Unrestricted	2014 Total	2013 Total
	£	£	£	£	£
Charitable activities					
Conferences and meetings	-	-	1,842,969	1,842,969	2,310,552
Examinations	-	50,000	2,347,912	2,397,912	2,356,641
International initiatives	-	14,799	-	14,799	56,800
Fellows and Members	-	-	3,313,394	3,313,394	3,201,530
Standards and clinical governance	-	316,717	197,725	514,442	527,343
Education and training initiatives	-	44,962	390,439	435,401	420,961
NCC WCH	-	-	1,593,797	1,593,797	1,671,786
BJOG	-	-	821,652	821,652	875,967
Total	-	426,478	10,507,888	10,934,366	11,421,580
Total Incoming Resources	31,889	656,778	12,432,125	13,120,792	14,430,714

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2014

4. 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:

	2014	2013
	£	£
Profit and loss account		
Turnover	1,494,749	1,395,957
Cost of sales	<u>(541,296)</u>	<u>(525,252)</u>
Gross profit	953,453	870,705
Administrative expenses	<u>(313,991)</u>	<u>(275,162)</u>
Operating profit	<u>639,462</u>	<u>595,543</u>
Profit on ordinary activities before taxation	639,462	595,543
Taxation	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation	639,462	595,543
Gift aid donation to Royal College of Obstetricians and Gynaecologists	<u>(639,462)</u>	<u>(595,543)</u>
Profit for the financial year	<u><u>-</u></u>	<u><u>-</u></u>
Balance sheet		
Debtors	229,554	203,158
Stock	29,091	42,042
Cash at bank	<u>-</u>	<u>-</u>
	258,645	245,200
Creditors: amounts falling due within one year	<u>(258,643)</u>	<u>(245,198)</u>
Net assets	2	2
Share Capital	2	2
Profit and loss account	<u>-</u>	<u>-</u>
	2	2
Capital and reserves as at 31 December 2014	<u><u>2</u></u>	<u><u>2</u></u>

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2014

5. Resources expended

	Restricted	Unrestricted	2014 Total	2013 Total
	£	£	£	£
<i>Costs of generating funds:</i>				
RCOG Trading Limited	-	612,521	612,521	591,755
Accommodation and service charges	-	111,763	111,763	211,453
Development		145,332	145,332	123,747
<i>Charitable activities</i>				
Conference and Meetings	-	1,560,731	1,560,731	1,999,804
Examinations	27,925	1,323,779	1,351,704	1,333,758
International initiatives	1,233	530,498	531,731	567,901
Fellows and Members	-	2,826,354	2,826,354	2,831,627
Standards and Clinical Governance	67,830	1,199,411	1,267,241	1,387,026
Education and Training Initiatives	-	1,518,521	1,518,521	1,704,234
NCC WCH	-	1,465,839	1,465,839	1,603,965
British Journal of Gynaecology	-	748,619	748,619	739,909
Special funds	319,726	(17,445)	302,281	309,833
<i>Governance costs</i>	-	55,010	55,010	74,193
Total resources expended	416,714	12,080,933	12,497,647	13,479,205

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2014

6. Support Costs

	Staff Costs	Other costs	2014 Total	2013 Total
	£	£	£	£
Officers, Council and Administration	512,588	337,623	850,211	830,057
Finance	266,186	159,630	425,816	441,754
Facilities and Premises	535,959	830,346	1,366,305	1,378,863
Other:			-	
Depreciation	-	335,881	335,881	395,081
IT	417,982	182,243	600,225	562,395
Personnel/Pension	49,935	134,664	184,599	374,711
	<u>1,782,650</u>	<u>1,980,387</u>	<u>3,763,037</u>	<u>3,982,861</u>

Support costs are allocated to charitable activities as follows:

	Officers, Council and Administration	Finance	Facilities and Premises	Other	2014	2013
	£	£	£	£	£	£
Conferences and meetings	93,920	82,858	150,931	123,801	451,510	438,606
Examinations	90,985	89,826	146,215	119,932	446,958	482,239
International initiatives	54,591	11,492	87,729	71,959	225,771	232,771
Fellows and Members Standards and Clinical Governance	247,714	165,968	398,081	326,524	1,138,287	1,109,529
	128,201	38,846	206,021	168,988	542,056	640,919
Education and Training Initiatives	185,492	36,826	298,089	244,506	764,913	838,046
British Journal of Gynaecology Accommodation & Service charges	25,828	-	41,506	34,045	101,379	138,304
	23,480	-	37,733	30,950	92,163	102,447
2014 Total	<u>850,211</u>	<u>425,816</u>	<u>1,366,305</u>	<u>1,120,705</u>	<u>3,763,037</u>	<u>3,982,861</u>
2013 Total	<u>1,252,483</u>	<u>628,345</u>	<u>1,311,585</u>	<u>1,280,060</u>	-	<u>3,982,861</u>

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.

British Journal of Gynaecology

The position at 2014 shows support costs of £101,379 (2013 - £138,304) following a reallocation of total direct expenditure associated with the journal.

Notes to the financial statements

For the year ended 31 December 2014

7. Net incoming resources before other recognised gains and losses

This is stated after charging:	2014	2013
	Total	Total
	£	£
Depreciation	335,881	359,276
Auditors' remuneration		
▪ Audit services - College	21,000	20,400
▪ Audit services - subsidiary	3,600	3,600
▪ Other services	5,780	14,285
Operating lease rentals and buildings		
▪ Land	25,000	144,000
▪ Other	31,426	31,043

8. Staff costs and numbers

Staff costs were as follows:

	2014	2013
	£	£
Salaries and wages	5,448,777	5,003,461
Social security costs	554,183	520,291
Pension contributions	337,632	484,660
	6,340,592	6,008,412
Total emoluments paid to staff were:	5,786,409	5,488,121

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2014	2013
	No.	No.
	143	139
	143	139

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:

	2014	2013
	No.	No.
£60,001 - £70,000	10	6
£70,001 - £80,000	2	2
£80,001 - £90,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-

Notes to the financial statements

For the year ended 31 December 2014

9. Council Members and trustees

The Council members received no emoluments or other personal benefits during the year (2013: £Nil).

The charity paid for trustees indemnity insurance at the cost of £19,362 (2013: £14,840)

Out of pocket expenses were reimbursed to Council Members, in their capacity as Trustees, as follows:

	2014 Number	2014 £	2013 Number	2013 £
Travel and subsistence	<u>36</u>	<u>181,368</u>	<u>39</u>	<u>206,874</u>

10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

11. Tangible Fixed Assets

Consolidated and charity	Leasehold Buildings £	Plant, Furniture & Equipment £	Donated Assets £	Total £
Cost				
At the start of the year	12,740,329	1,443,556	300,000	14,483,885
Additions in year	-	398,519	-	398,519
Disposals in year	-	-	-	-
At the end of the year	<u>12,740,329</u>	<u>1,842,075</u>	<u>300,000</u>	<u>14,882,404</u>
Depreciation				
At the start of the year	3,309,133	1,125,417	-	4,434,550
Charge for the year	224,552	111,329	-	335,881
Disposals in year	-	-	-	-
At the end of the year	<u>3,533,685</u>	<u>1,236,746</u>	<u>-</u>	<u>4,770,431</u>
Net book value				
At the end of the year	<u>9,206,644</u>	<u>605,329</u>	<u>300,000</u>	<u>10,111,973</u>
At the start of the year	<u>9,431,196</u>	<u>318,139</u>	<u>300,000</u>	<u>10,049,335</u>

The College undertook a review of fixed assets in the year. This resulted in increasing the capitalisation limit to a more appropriate level of £10,000. In addition, assets brought forward with a cost of less than £10,000 and other assets no longer in use, were disposed of in the financial statements.

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 2008.

12. 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 be reflected in the open market. As a result, these items are not recognised in the balance sheet of the College.

Notes to the financial statements

For the year ended 31 December 2014

13. Fixed Asset Investments

	2014	2013
	£	£
Consolidated		
Market value as at 1 January 2014	14,515,814	11,423,185
Additions	1,714,244	10,325,025
Disposals	-	(7,732,495)
Net unrealised investment gains/(losses)	<u>280,005</u>	<u>500,099</u>
Market value as at 31 December 2014	<u><u>16,510,063</u></u>	<u><u>14,515,814</u></u>
Cash held by investment managers for reinvestment	<u>-</u>	<u>24</u>
Cost of listed investments at 31 December 2014	<u><u>15,695,391</u></u>	<u><u>13,981,171</u></u>

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

Significant investments were as follows:

	2014	2013
	£	£
MFM Newton Real Return Income Fund	8,677,935	8,406,475
BIJF Dynamic Diversified Growth Fund	7,832,128	6,109,339
	<u><u>16,510,063</u></u>	<u><u>14,515,814</u></u>
Listed Investments held at 31 December 2014 comprised the following:		
UK based unit trusts	8,677,935	8,406,475
UK based equity funds	7,832,128	6,109,339
	<u><u>16,510,063</u></u>	<u><u>14,515,814</u></u>

14. Debtors

	Consolidated		Charity	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	528,870	467,510	394,892	360,812
Other debtors	229,769	281,972	228,269	279,013
Prepayments and accrued income	<u>149,962</u>	<u>230,657</u>	<u>149,962</u>	<u>230,657</u>
	<u><u>908,601</u></u>	<u><u>980,139</u></u>	<u><u>773,123</u></u>	<u><u>870,482</u></u>

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2014

15. Creditors: amounts falling due within one year	Consolidated		Charity		
	2014 £	2013 £	2014 £	2013 £	
Trade creditors	184,948	436,088	167,843	380,315	
Amounts owed to subsidiary	-	-	94,075	93,501	
Taxation and social security	312,160	362,303	304,898	357,807	
Accruals	549,882	563,432	508,369	557,950	
Deferred income	1,647,069	1,712,312	1,654,307	1,532,865	
	2,694,059	3,074,135	2,729,492	2,922,438	
16. Analysis of net assets between funds					
	Endowment funds £	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible Fixed Assets	-	-	9,506,644	605,329	10,111,973
Investments	3,996,899	4,672,720	721,205	7,119,240	16,510,064
Cash at bank	7,000	698,824	1,032,543	2,387,339	4,125,706
Net current assets	-	-	-	(1,750,433)	(1,750,433)
Net assets excluding pension liability at the end of the year	4,003,899	5,371,544	11,260,392	8,361,475	28,997,310

Notes to the financial statements

For the year ended 31 December 2014

17. Movements in 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 1 January 2014 £	Incoming resources £	Investment Gains/ (Losses) £	Transfers £	At 31 December 2014 £
Permanent endowments					
Edgar Research - Jean Ethel Gentilli Scholarship	2,394,310	-	12,394	(1,903,141)	503,563
Florence and William Blair Bell	1,038,532	-	5,376	-	1,043,908
Sims Black Travelling Professors	1,004,880	-	5,202	(546,407)	463,675
Thomas Watts Eden Fellowship Green Armytage and Spackman	260,219	-	1,347	(15,894)	245,672
Travelling Scholarship Fund	126,884	-	657	(98,075)	29,466
Green Armytage Anglo American	31,325	-	162	-	31,487
Tim Chard Prize Fund	29,372	-	152	-	29,524
Florence Blair - Bell Art Fund	28,050	-	145	(7,411)	20,784
William Blair - Bell Memorial	26,985	-	140	-	27,125
Victor Bonney Prize Fund	25,726	-	133	-	25,859
James Wyatt Dining Fund	14,273	-	74	-	14,347
JY Simpson Oration Fund	13,241	-	69	(11,321)	1,989
William Meredith Fletcher Shaw	12,760	-	66	-	12,826
Sir Eardley Holland Medal fund	10,263	-	53	(6,259)	4,057
	<u>5,016,820</u>	<u>-</u>	<u>25,970</u>	<u>(2,588,508)</u>	<u>2,454,282</u>
Expendable endowments					
President's Fund	169,538	5,038	878	(872)	174,582
President's Global Health Fund	248,657	7,390	1,287	-	257,334
Ethicon Foundation Fund	132,715	-	687	-	133,402
Lindsay Stewart Fund	1,016,956	19,461	16,309	(68,427)	984,299
	<u>1,567,866</u>	<u>31,889</u>	<u>19,161</u>	<u>(69,299)</u>	<u>1,549,617</u>
Total endowment funds	<u>6,584,686</u>	<u>31,889</u>	<u>45,131</u>	<u>(2,657,807)</u>	<u>4,003,899</u>

17. Movements in endowment funds (continued)

Permanent endowments

Edgar Research - Jean Ethel Gentili 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.

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 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.

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.

17. Movements in endowment funds (continued)

Ethlcon Foundation Fund

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

Lindsay Stewart Research and Development Fund

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

Notes to the financial statements

For the year ended 31 December 2014

18. Movements in income funds	At the start of the year £	Incoming resources £	Outgoing resources £	Net Investment Gains £	Transfers £	At the end of the year £
Restricted funds						
Scholarship and lecture funds						
Lockyer Travelling Fellowship	832,521	24,741	(121,337)	4,310	-	740,235
Bernhard Baron Scholarship Fund	338,541	10,061	(10,221)	1,752	-	340,133
Sims Black Travelling Professors Fund	227,696	36,630	(14,042)	1,179	546,407	797,870
Thomas Watts Eden Fellowship	41,547	8,968	(455)	215	15,894	66,169
Other funds	<u>35,571</u>	<u>6,940</u>	<u>(4,348)</u>	<u>184</u>	<u>132,419</u>	<u>170,766</u>
	<u>1,475,876</u>	<u>87,340</u>	<u>(150,403)</u>	<u>7,640</u>	<u>694,720</u>	<u>2,115,173</u>
Research funds						
Sir William Gilliatt Memorial Fund	107,323	3,189	(69,441)	556	-	41,627
Edgar Research -Jean Ethel Gentilli	93,667	73,938	(937)	485	1,903,141	2,070,294
Florence and William Blair-Bell Memorial Fund	<u>96,169</u>	<u>33,721</u>	<u>-</u>	<u>498</u>	<u>-</u>	<u>130,388</u>
	<u>297,159</u>	<u>110,848</u>	<u>(70,378)</u>	<u>1,539</u>	<u>1,903,141</u>	<u>2,242,309</u>
Other special purpose funds						
Marjorie Kuck	20,321	-	(203)	-	-	20,118
Millenium Endometriosis Fund	21,481	638	(5,255)	111	-	16,975
President's Fund	-	-	(872)	-	872	-
Other funds	<u>195,938</u>	<u>172,582</u>	<u>(92,614)</u>	<u>570</u>	<u>63,222</u>	<u>339,698</u>
	<u>237,740</u>	<u>173,220</u>	<u>(98,944)</u>	<u>681</u>	<u>64,094</u>	<u>376,791</u>
Government grants						
Other government grants	<u>448,890</u>	<u>285,369</u>	<u>(96,988)</u>	<u>-</u>	<u>-</u>	<u>637,271</u>
	<u>448,890</u>	<u>285,369</u>	<u>(96,988)</u>	<u>-</u>	<u>-</u>	<u>637,271</u>
Total restricted funds	<u>2,459,665</u>	<u>656,777</u>	<u>(416,713)</u>	<u>9,860</u>	<u>2,661,955</u>	<u>5,371,544</u>

18. Movements in income 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 Gentili

To enable further research into Obstetrics and 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.

President's fund

For the President to utilise for general purposes to further the objectives of the College.

Notes to the financial statements

For the year ended 31 December 2014

18. Movements in income funds (continued)

Having re-examined the NCC funding agreement, it has been deemed more appropriate to treat this as a contract. As a result funds have been transferred to unrestricted funds and the year end NCC balance designated as such.

Other restricted funds from which income is earned from an endowment fund are detailed in note 17.

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

Designated funds

	At the start of the year	Incoming resources	Outgoing resources	Transfers	At the end of the year
	£	£	£	£	£
Property Fund	9,431,196	-	-	(224,552)	9,206,644
Overseas Fund	417,318	-	(2,430)	-	414,888
NCC - WCH	466,119	1,593,797	(1,631,058)	-	428,858
Heritage Fund	300,000	-	-	-	300,000
Education Fund	228,523	-	-	-	228,523
Repairs Fund	160,421	-	(4,620)	-	155,801
Leasehold Uplift	200,000	-	-	-	200,000
John Lawson Fund	27,663	-	(190)	-	27,473
Soft Furnishings - DOMUS	40,000	-	-	-	40,000
Soft Furnishings - Other	24,718	-	(2,480)	-	22,238
Herbert Erik Reiss Memorial Fund	16,171	-	(1,040)	-	15,131
Edgar Gentilli Research Fund	11,729	-	(40)	-	11,689
Recruitment Fund	614	-	(600)	-	14
Carpet provision	20,000	-	-	-	20,000
Maternal 3rd World Care	1,909	-	-	-	1,909
Dr Marcus Filshie	37,500	-	(3,156)	(34,344)	-
Website Critical Support	210,000	-	-	(22,776)	187,224
Pension provision	105,000	-	-	(105,000)	-
	<u>11,698,881</u>	<u>1,593,797</u>	<u>(1,645,614)</u>	<u>(386,672)</u>	<u>11,260,392</u>

Notes to the financial statements

For the year ended 31 December 2014

18. Movements in income 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.

NCC-WCH

Funding provided by NICE with any surplus transferred to designated funds.

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 fund

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

Leasehold Uplift

Lease provision

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.

Soft Furnishings – DOMUS

To contribute to the replacement of soft furnishings.

Soft Furnishings – Other

To contribute to the replacement of soft furnishings.

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.

Carpet provision

To contribute to the replacement of carpets in the Education Centre.

Maternal 3rd World Care

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

Dr Marcus Filshie

To fund a fellowship at Kitovu hospital, Uganda, now transferred to Restricted Funds.

Website Critical Support

Provision to contribute to the design and rebuild of the College website.

Pension provision

Transferred to General funds to support pension liabilities of staff.

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2014

18. Movements in income funds (continued)

Unrestricted funds	General £	Designated £	Pension £	Total
As at 1 January 2014	8,263,928	11,698,881	(932,000)	19,030,809
Incoming resources	10,838,328	1,593,797	-	12,432,125
Resources expended	(11,348,319)	(1,645,614)	913,000	(12,080,933)
Transfers	382,524	(386,672)	-	(4,148)
Net investment gains/actuarial gains	225,014	-	(1,081,000)	(855,986)
At 31 December 2014	<u>8,361,475</u>	<u>11,260,392</u>	<u>(1,100,000)</u>	<u>18,521,867</u>

19. Operating lease commitments

The charity had annual commitments at the year end under operating leases expiring as follows:

	Land and Buildings		Other	
	2014 £	2013 £	2014 £	2013 £
1 - 2 Years		119,000	62,086	-
2 - 5 Years	-	-	62,086	1,552
Over 5 years	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>
	<u>25,000</u>	<u>144,000</u>	<u>124,172</u>	<u>1,552</u>

20. Third party interests

Administrative support costs are paid to the business of the Honorary Treasurer for NIRCOG Committee work as follows:

	2014 £	2013 £
Costs	<u>2,993</u>	<u>2,991</u>

As this is a related party transaction, the business has been declared in the register of interests.

Notes to the financial statements

For the year ended 31 December 2014

21. 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 £251,183 (2013 - £239,256).

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 24 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 2013 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 £2.9m.

The Scheme is a non-segregated multi-employer scheme. As a result, it is not possible to accurately assess individual liability. On an approximate basis, RCOG is responsible for c84.8% of the total liability.

For the purposes of FRS17, the preliminary actuarial valuation as at 1 April 2013, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 31 December 2014. 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 2014 £'000	31 December 2013 £'000	31 December 2012 £'000	31 December 2011 £'000	31 December 2010 £'000	31 December 2009 £'000
Fair value of scheme assets	18,792	16,042	15,396	13,825	13,079	11,534
Present value of scheme liabilities	19,892	16,974	15,093	13,986	13,386	13,426
Surplus/(Deficit) in scheme	(1,100)	(932)	303	(161)	(307)	(1,892)

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 31 December 2014

21. Pension costs (continued)

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

	Period ending 31 December 2014 £'000	Period ending 31 December 2013 £'000
Scheme liabilities at start of period	16,974	15,093
Current service cost	199	161
Interest cost	777	696
Contributions by scheme participants	63	68
Actuarial losses	2,452	1,408
Benefits paid and expenses	(573)	(452)
Scheme liabilities at end of period	<u>19,892</u>	<u>16,974</u>

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

	Period ending 31 December 2014 £'000	Period ending 31 December 2013 £'000
Fair value of scheme assets at period start	16,042	15,396
Expected return on scheme assets	809	635
Actuarial gains	1,371	221
Contributions by employer	1,080	174
Contributions by scheme participants	63	68
Benefits paid and expenses	(573)	(452)
Fair value of scheme assets at end of period	<u>18,792</u>	<u>16,042</u>

The actual return on the scheme assets over the period ending 31 December 2014 was £2,180,000 (2013 - £856,000).

Contributions

The total contributions made by the employer over the period of £1,080,000 (2013 - £174,000) includes 22.8% (2013 - 24.6%) 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 2014 is £0 (2013 - £291,000).