

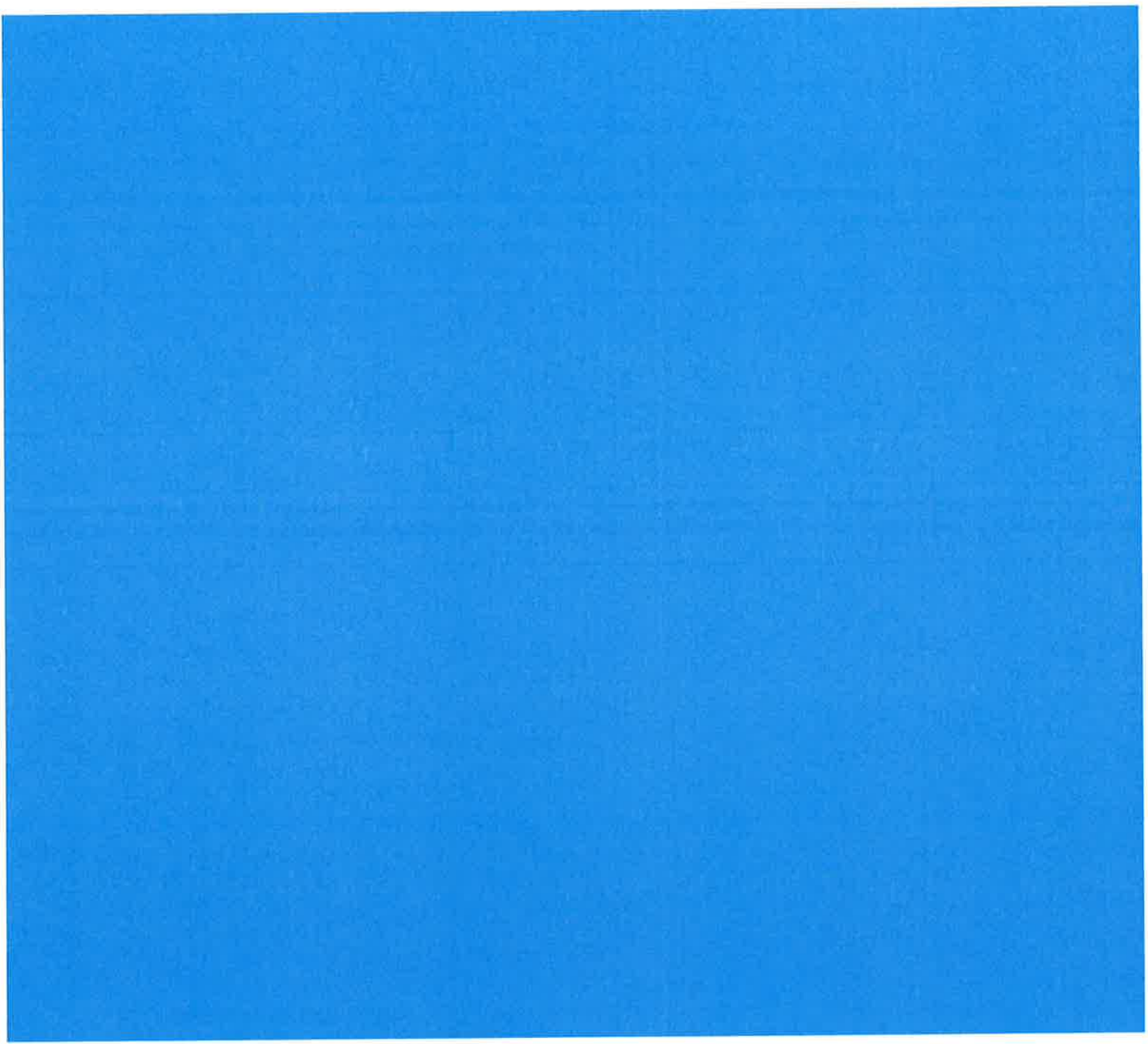


Royal College of
Obstetricians &
Gynaecologists

Consolidated Annual Report and Accounts

31 December 2015

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



Royal College of Obstetricians & Gynaecologists

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Royal College of Obstetricians & Gynaecologists

Reference and administrative information

For the year ended 31 December 2015

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Royal College of Obstetricians and Gynaecologists

27 Sussex Place, Regent's Park

London NW1 4RG

UK

Registered Charity No. 213280

Scottish Registered Charity No. SC041594

Royal College of Obstetricians & Gynaecologists

Reference and administrative information

For the year ended 31 December 2015

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 Diana Hamilton-Fairley
Eastern	Edward Morris
Northern/Yorkshire	Mylvaganam Kumar Kumarendran
South West	Jonathan Frappell
North West	Charles Kingsland
South East	Felicity Ashworth
Trent	Susan Ward
West Midlands	Mark Kilby
Wales	Christopher Roseblade
Scotland	Mary-Ann Lumsden Phil Owen
Ireland	John Morrison Robin Ashe
International (England)	Alison Wright Janice Rymer Linda Cardozo Hani Fawzi (Justin Konje*) Fionnuala McAuliffe
International British Isles	

Elected Members

London	Daghi Rajasingam Stergios Doumouchtsis
Eastern	Edward Prosser-Snelling (Medhat Hassanaieni*)
Northern/Yorkshire	Padma Bharathi Pathi
South West	Katherine Edey (Jane Mears*)
North West	Jonathan Ash (Andrew Pickersgill*)
South East	Dib Datta
Trent	Nicholas Raine-Fenning
West Midlands	Pallavi Latthe
Scotland	Vanessa Mackay
Ireland	Cliona Murphy

Co-opted members:

Chair Trainees' Committee	Matthew Prior
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Royal College of Obstetricians & Gynaecologists

Reference and administrative information

For the year ended 31 December 2015

Vice Chair Trainees' Committee	William Parry-Smith
Academic Board	Zarko Alfirevic
Invited members:	
Chair Women's Network	Cath Broderick
President Faculty of Sexual & Reproductive Healthcare, RCOG	Christopher Wilkinson

Names with an asterisk (*) where members of Council up to 31 May 2015

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
Lay Trustee	Kate Mathers

** until 29 September 2015

Executive Director Team

Chief Executive	Ian Wylie
Deputy Chief Executive and Executive Director of Global Education	Michael Murphy
Executive Director of Quality and Knowledge	Sara Johnson
Chief Operating Officer	Fred Emden
Executive Director of Resources	Rachel Dell
Senior Director of External Affairs	Claire Dunn

Royal College of Obstetricians & Gynaecologists

Reference and administrative information

For the year ended 31 December 2015

Advisers

Auditors

Sayer Vincent LLP
Invicta House
114-118 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 2015

Foreword

2015 marked my last complete year in post as President and it has again been a pleasure and an honour to lead the College. The RCOG's energy and enthusiasm are stronger than ever, with new ideas and projects put in motion on a regular basis.

Our ongoing focus is to position the RCOG as leader of the profession, advocating on behalf of women while always ensuring that quality standards in education, training, and service provision are maintained. The principles of always putting the patient first, promoting a culture of zero harm, and improving patient safety continue to be embedded in everything we do.

Guidelines

Our commitment to patient safety is demonstrated by our hosting of the NHS England Women's Health Patient Safety Expert Group, which works to collaboratively improve culture and safety for women and their babies receiving NHS-funded care. We also continue to develop gold standard clinical guidance based on best practice to support our members in putting patient safety first: over the last year, 30 new or revised guidelines, scientific opinion papers and patient information leaflets have been published.

In 2015, the College was awarded a six-year contract by the National Institute for Health and Care Excellence (NICE) to continue the development of national clinical guidelines for NHS health professionals. A brand new guideline development centre was launched in April 2016, bringing together and expanding the work of the National Collaborating Centre for Women's and Children's Health (NCC-WCH), the National Collaborating Centre for Cancer (NCC-C; previously based at the Velindre NHS Trust, Cardiff), and the National Collaborating Centre for Mental Health (NCC-MH; previously based at the Royal College of Psychiatrists).

Projects

Our national report on clinical indicators (measures that describe performance levels within a service) in maternity care is a project I am particularly proud of: bringing the outcomes of clinical performance into the public domain and highlighting variations in performance between trusts will enable the development of benchmarking and strategies for improvement and innovation.

The RCOG's Safer Women's Health Care working party has been focusing on revising the standards for gynaecological and maternity care, developing themes identified within the national Maternity Review and proposing solutions to the complexity of workforce planning in the present climate. The report is due to be published in July 2016.

For the past year, our Each Baby Counts project has been collecting data from local investigations into stillbirths, neonatal deaths and brain injuries occurring as a result of incidents in labour. There has been 100% participation from trusts and health boards across the country and the first set of results will be published in the summer of 2016.

Foreword

For the year ended 31 December 2015

Education, training and CPD

In April 2015, approval was given by the General Medical Council (GMC) for the introduction of a new element to our gold standard Membership exam: the Part 3 MRCOG Clinical Assessment, which will be launched in November 2016. With additional emphasis on patient safety and communication skills, this is an important step and will ensure our doctors continue to be of the highest quality. We have also opened two new examination centres in Lebanon and Indonesia, highlighting our key role as a global College.

This year has also seen the launch of the online lectures service, with RCOG courses and conferences now filmed and made available worldwide, and the Advanced Fellowship Programme, which promotes advanced training via a modular approach after the MRCOG or equivalent local board examination. The Advanced Fellowship Programme mirrors our very successful Advanced Training Skills Modules (ATSMs) in the UK, which are mandatory for the majority of O&G trainees in preparation for consultant life, and has been very favourably received overseas.

2015 has been another successful year for the delivery of world-class conferences, events and training courses, with nearly 5000 delegates registering for our courses based at the RCOG and over 1000 attending our franchised RCOG courses run in the UK and overseas. Our World Congress in Brisbane, Australia, was held in partnership with the Royal Australian and New Zealand College of Obstetricians and Gynaecologists (RANZCOG) and attracted 2324 participants from 43 countries.

We have also continued to develop StratOG, our eLearning platform, with 32 new online tutorials that provide support for O&G professionals at varying stages of their career.

The RCOG remains committed to providing resources to prevent undermining and bullying in the workplace, with our eLearning tutorial now freely available to all health professionals across the NHS and worldwide.

Global health and development

Leading Safe Choices is our new flagship global health programme, which aims to strengthen the competence and raise the standing of family planning professionals in South Africa and Tanzania, focusing on postpartum contraception and comprehensive abortion care. Best practice papers summarising existing evidence are now available and training courses have begun in South Africa.

In a two-year project supported by the Tropical Health & Education Trust (THET), the RCOG is involved in emergency obstetric training and fistula prevention at the Kitovu Health Care Complex in Uganda and the local government hospital, Masaka. Using a train the trainer approach, this project will provide sustainable improvement to health services for women in remote areas. The first two courses took place in August 2015 at Kitovu and will continue through 2016.

Governance

Much of 2015 has been taken up with the implementation of the recommendations of the Representation Working Party recommendations, which aimed to improve the engagement of Fellows and Members in the decision-making processes of the College and culminated in the decision at the General Meeting on 12

Foreword

For the year ended 31 December 2015

February 2016 to expand the electorate for President to all UK Fellows and Members. The remaining recommendations focus upon engagement with the membership and making Council workings more transparent, with representation that is appropriate for an ever growing and influential College. Naaz Coker was a founding lay trustee of the College, taking up post when the Board was established in June 2013. A passionate advocate for equality and diversity in women's health (among many other achievements, Naaz founded the women's leadership programme at the King's Fund and chaired St George's Hospital NHS Trust), Naaz led on diversity matters for the College. Deteriorating health prevented Naaz attending some Board meetings during 2015, but she continued to provide advice and support until a few weeks before her untimely death in September 2015.

I look back on 2015 with considerable pride. 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 as possible to become involved with the College in 2016 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.

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.

The College has set 3 key strategic goals underpinned by a number of objectives.

Strategic Goal 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

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

Key Achievements & Performance

Supporting Clinical Quality

Improving and supporting clinical quality remained a key priority for RCOG in 2015 and the College achieved re-accreditation for its guideline development activities. Moreover, the RCOG introduced a total of eight new and revised Green-top Guidelines and published seven new Scientific Impact Papers during the year. In addition March 2015 saw the publication of the first report of the Group B Strep audit.

Data collection for Each Baby Counts, the RCOG's 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, is ongoing. Now 100% of UK trusts/health boards are participating in this important initiative.

RCOG's National Collaborating Centre for Women's and Children's Health (NCC-WCH) published three women's guidelines and three children's guidelines for NICE in 2015. The women's guidelines included the first NICE guideline on diagnosis and management of menopause and was launched via the RCOG conference on post reproductive health.

The NCC-WCH team was also involved in the preparation of articles for the BMJ summarising the various published guidelines; supporting NICE in the delivery of training workshops for healthcare professionals and lay people involved in guideline development of guidelines.

Expanding education resources

RCOG successfully introduced the new format Part 1 and Part 2 MRCOG examinations in March 2015 and secured GMC approval in April 2015 for the introduction of the Part 3 MRCOG clinical assessment in November 2016. A new Part 3 MRCOG Clinical Assessment Sub-Committee was established in August 2015 to oversee the introduction of the new examination.

There were a wide range of new initiatives to increase the accessibility of high quality women's health education and access to examinations, including new examination centres in Indonesia and Lebanon and a pilot Part 2 MRCOG Oral assessment was held in New Delhi in November 2015 for the first time.

A record number of MRCOG franchised courses were held around the world, with 20 preparation courses and eight enhanced revision courses providing training support to over 450 doctors.

A new online lectures service was launched which provides access to over 200 lectures recorded from 15 RCOG conferences and courses.

A pilot for the new international Advanced Fellowship Programme in Maternal Medicine and Acute Gynaecology and Early Pregnancy was launched.

There were 32 new eLearning tutorials introduced on the StratOG eLearning platform during 2015, including CPD and exam eLearning resources.

Delivering world class meetings and conferences

Excellent events and a successful series of promotions delivered another strong performance for the RCOG conference programme with over 1000 delegates attending RCOG franchised courses in the UK and overseas and almost 5000 delegates registering for courses based at the College.

The RCOG World Congress 2015 was held in partnership with RANZCOG and held in Brisbane in April. It attracted 2324 participants from 43 countries and array of first-class speakers. 93% of delegates rated their experience of the Congress at 7 or more out of 10.

Report of the trustees

For the year ended 31 December 2015

2015 was a year of innovation and effective marketing for our educational conference and meetings programme that included the launch of a new series of Expert Witness courses in conjunction with Bond Solon who are the leaders in this field. Courses were held on Report Writing and Courtroom Skills and both courses sold out in advance.

An innovative joint initiative with the Royal College of General Practitioners (RCGP) was launched to provide an annual 'One Day Essentials: Women's Health Update'. The first event held in Birmingham attracted over 120 delegates and speakers included RCGP and RCOG members.

A new successful one day 'bite sized' DRCOG Revision Course was launched in September to provide an exam preparation resource for GPs attracting over 60 delegates. The first RCOG Operative Birth Simulation Training (ROBuST) franchised courses were held during the year with 16 events run in hospitals across the UK.

Future Plans

- The launch of a new, expanded NICE development centre in April 2016, the National Guideline Alliance, which will deliver guidelines on women's and children's health, mental health and cancer.
- Expansion of the Invited Review service to advise on configuration of high quality clinical services.
- The first Fellowship trainees on the Advanced Fellowship Programme will be appointed early in 2016.
- The launch of the MRCOG Part 3 exam in November 2016.
- Provide effective support to our trainees and CPD participants by development of new educational products.
- Continued review and development of eLearning education resources.
- Establish new examination hubs in Sri Lanka, Uganda and Myanmar
- The RCOG World Congress 2016 will be held in Birmingham in June. 2000 delegates are expected to attend.

Strategic Goal 2

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

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

Key Achievements & Performance

Continuing professional development

Fellows, Members and Trainees now provided with Faculty Tier certificates that can be used as supporting information for revalidation, CPD and appraisal.

Report of the trustees

For the year ended 31 December 2015

The RCOG's pioneering resource to help reduce bullying and undermining was substantially enhanced by the addition of a new toolkit (jointly developed with the RCM) and an O&G eLearning resource that is now freely available to all health care practitioners.

Implementation of the TOG review recommendations continues to progress well. Key activities include developing the digital version of the journal with iOS and Android apps launched. TOG has collated articles on particular topics in online 'virtual' issues in 2015 covering gynaecological cancer, perinatal medicine, sexual and reproductive health, fertility and assisted reproduction and maternal medicine.

RCOG has established a new Gulf Steering Group, for all the international representative committees in the Gulf, together with the Gulf Ambassador and Council Representative for the Middle East and North Africa to advance our work in the region and has conducted the second RCOG PROMPT Course in Dubai, which was attended by 10 Gulf region hospitals.

Publishing global research

BJOG has identified China as a key development territory based on projections that the number of publications from authors based in China will match those from the USA by 2020. BJOG has recruited more Chinese representatives to the Editorial Board. Over 60 submissions to the China supplement were received and overall in 2015, BJOG had received 160 submissions from China (10% of total submissions to the journal) compared to 70 (5%) in 2013.

BJOG continues to build other relationships beyond the UK. BJOG held a joint author workshop session with the two main O&G journals in the US (American Journal of Obstetrics & Gynecology and Obstetrics & Gynecology) at the 2015 Society for Maternal-Fetal Medicine meeting, with a report confirmed for 2016. Two joint author workshops were held with other O&G journals at FIGO 2015.

BJOG continues to lead the CROWN initiative, which aims to improve research in women's health by encouraging the development of core outcomes, allowing the results of individual trials to be combined for greater impact. External funding from the British Medical Association has been secured for two years to support a part-time project coordinator. Five 'core outcome sets' are working towards CROWN endorsement, and the first 'core outcome set' has been accepted for publication in Obstetrics & Gynecology.

Improving member and patient services

The new RCOG website has made information easier to access and navigation through the site more intuitive. The site has improved the experience for women, with a revamped Patients section developed in collaboration with the Women's Network. Over the last 12 months, the number of people visiting the site has increased by one-third, and the Patients section of the site has seen a 50% increase in visitors.

Last year 250 members received their RCOG Fellowship recognising their continued contribution to the specialty and the maintenance of high standards and eighteen RCOG awards and prizes were presented to students, junior doctors, trainees, Members and Fellows to support, advance and recognise O&G work at all career stages.

Report of the trustees

For the year ended 31 December 2015

The RCOG's membership team re-launched the Associate membership category in 2015 enabling more doctors, both in the UK and globally, to access the latest O&G resources and RCOG's CPD programme with 600 Associates signed up by year end.

A new 'Get Involved' campaign and special e-alerts successfully encouraged more practitioners to be actively involved in the work of the College and the development of women's health care. For example, the campaign has attracted more than 150 Fellows/Members and trainees to sign up to our Global Health work - including as Clinical Leads, on the editorial board of our International News magazine or on the oversubscribed Global Health Trainees Group.

Participation in RCOG activities has improved with the number of Fellows and Members who have never been involved in RCOG activities going down from 58% in 2013 to 51% in the 2015 membership survey.

The RCOG Library and Information team continued to respond to members' clinical enquiries and provided access to over 3000 articles to support practitioners in their daily practice and professional development and access to eJournals and online information was improved though single sign-on with content being accessed over 17,000 times to support practice, research and development and the new Advanced Professional Module (APM) in Clinical Research agreed in 2015 will be the first of a new portfolio that strengthens the emphasis on professional learning.

Investing in people and support services: 2020 infrastructure

Following a three day assessment by Investors in People in November 2015 the College was assessed against the bronze standard and was successful in securing IIP accreditation.

The Learning and Development Programme has supported many staff to attend in house training on a variety of topics and in addition, the HR Department has supported a number of staff in securing external qualifications. In parallel the HR Department has reviewed many of its policies and processes and established a new Health and Wellness Policy providing guidance to staff and managers on a variety of matters.

In 2015, the College produced a detailed 10 year Financial Plan to assist in the longer term strategic planning process.

Future plans

- TOG has created new infographics to accompany and promote specific articles and introduced new educational offerings beyond CPD with SBA questions due to be launched in January 2016 to support trainees preparing for the MRCOG exams.
- Transition of BJOG to an online-only membership benefit, with investment in digital content
- Development and launch of a new version of StratOG, focusing on new technologies (e.g. mobile) and meeting the College and the membership's expanding eLearning needs.
- Ongoing support and development of the RCOG Guidelines app.
- Enable more doctors to access RCOG best practice and support resources ensuring life-long education, professionalism and leadership in the specialty by continuing to grow our Associate members.
- Continued development of an on-line lecture service.

Strategic Goal 3

Demonstrate advocacy for women's health

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

Key Achievements & Performance

Responding to women

The Women's Network survey on the Health Information Needs of Older Women report was published in September 2015. New 'Recovering Well' patient information resources featuring eight gynaecological procedures was launched in October 2015 to provide more accessible and relevant information for women seeking information on what to expect after surgery; the resources include written leaflets, interactive PDFs and accompanying videos.

Over 180 health professionals and lay people attended our emotionally charged and highly moving International Women's Day event on gender-based violence. More than 90% said they would take active steps to change or improve their practice as a result of the event.

Report of the trustees

For the year ended 31 December 2015

Leading Safe Choices

New funded programme 'Leading Safe Choices' (LSC) is now well established and reporting effectively to the donor and to the Board of Trustees and Council. Best Practice Papers have been developed and launched to all RCOG Fellows and Members. The first LSC pilot facilities have been identified and cooperation agreements have been signed with Department of Health in South Africa and Ministry of Health in Tanzania.

LSC training manuals have been written and tested by UK-based professionals and overseas partners and the first training course was delivered in Cape Town in December 2015.

Driving excellence

RCOG has increased active participation from Fellows and Members in fundraising 'challenge events' from six to over 50 in 2015.

RCOG secured restricted income of over £115k for the Excellence Project in Uganda and general global health work through grants and the challenge events.

Based at Kitovu Hospital and through a grant secured from the Tropical Health and Education Trust (funded by UK Aid), the Excellence in: Obstetric Skills project is training 260 health workers in Masaka District of Uganda. So far RCOG have delivered 4 courses training over 100 participants and 10 trainers. The course prioritises fistula prevention through early warning and appropriate referral and dignity and respectful care of women. We are now discussing with VSO Uganda options to replicate the course in northern Uganda in 2016.

Meanwhile, the Excellence in: Surgical Training for the Austere Environment course (run in conjunction with the Royal College of Surgeons) trained 33 non-O&G consultants to deal with obstetric cases in 2015.

Increasing engagement worldwide

A major consultation exercise with Fellows and members across the UK and internationally was undertaken during the course of 2015 on the review of representational structures, franchise and voting procedures for the Council, Vice-Presidents and the President. Recommendations for change were approved by a special general meeting early in 2016.

A new series of regular video conference meetings with RCOG's 14 International Representative Committees and Liaison Groups has developed closer engagement and understanding with our international membership.

The College has supported distinct partnerships with Sudan and Egypt and funded 'Skills and Drills' training of nearly 200 health workers and trainers in Pakistan and 115 health workers in India.

Partnership working with other royal colleges, NGOs and national O&G societies is opening exciting doors. The RCOG is a key partner in an ambitious RCPCH-led proposal to support health systems strengthening in Sierra Leone and regular dialogue with the RCM has helped cross-fertilise ideas and faculty across projects. VSO are using RCOG as a 'critical friend' in the development of their future programming in sub-Saharan Africa.

Report of the trustees

For the year ended 31 December 2015

The RCOG had a substantial presence at the Sri Lanka O&G Society annual conference and the 50th Anniversary Conference of the Society of Gynaecologists and Obstetricians of Nigeria (SOGON). Many of these partnerships will be showcased in the first Global Health stream at the World Congress in Birmingham in June 2016.

Innovative approaches and generous funding from the Laura Case Trust and Marcus Filshie Fellowship have led to the placement of two volunteers to support our Uganda project with more volunteers identified for 2016.

The Medical Training Initiative (MTI) scheme expanded by more than 30% in 2015, placing 47 doctors in UK hospitals including, for the first time, doctors from Turkey and Samoa. 35 MTI doctors attended the September induction course and received a new handbook offering cultural and practical advice from previous cohorts. The RCOG is also developing a new partnership to facilitate and inform Chinese consultants coming to the UK on 3-month observerships.

Enhancing external affairs

RCOG has significantly strengthened its external affairs capabilities with the appointment of a new Executive Director to integrate the work of the policy, media, PR, online, journal publishing and marketing operations of the College.

RCOG has continued to work with government departments on a range of key policy issues including FGM, abortion care and maternal mental health and has now established a new and strengthened Policy & Public Affairs (PPA) Directorate (PPAD) with appointment of a new manager and support team in place for 2016.

RCOG created a new Media and PR directorate in 2015 and has significantly stepped up its proactive approach to media engagement, influencing the news agenda and getting the message of the College and the voice of women's health care heard by both stakeholders and the media.

Key successes included coverage of the RCOG World Congress in the UK and Australian national media. This initiative was followed by a very high profile presence in the press, online and broadcast media for our new clinical guidelines on a range of subjects including FGM, blood transfusions and perineal tears. Patient information press releases or social media campaigns – pelvic girdle pain, elective C-section, PCOS, smoking, recovering well and SIPs on ultrasound, development of obstetric drugs, gynae cancers, cord clamping, and bariatric surgery also received significant coverage.

November marked launch of NICE guideline on management of menopause and RCOG put forward range of clinicians and for the first time, case study input, which prompted widespread coverage including BBC Radio 5 live, Channel 5, and Sky News as well as the BBC 2 Victoria Derbyshire programme.

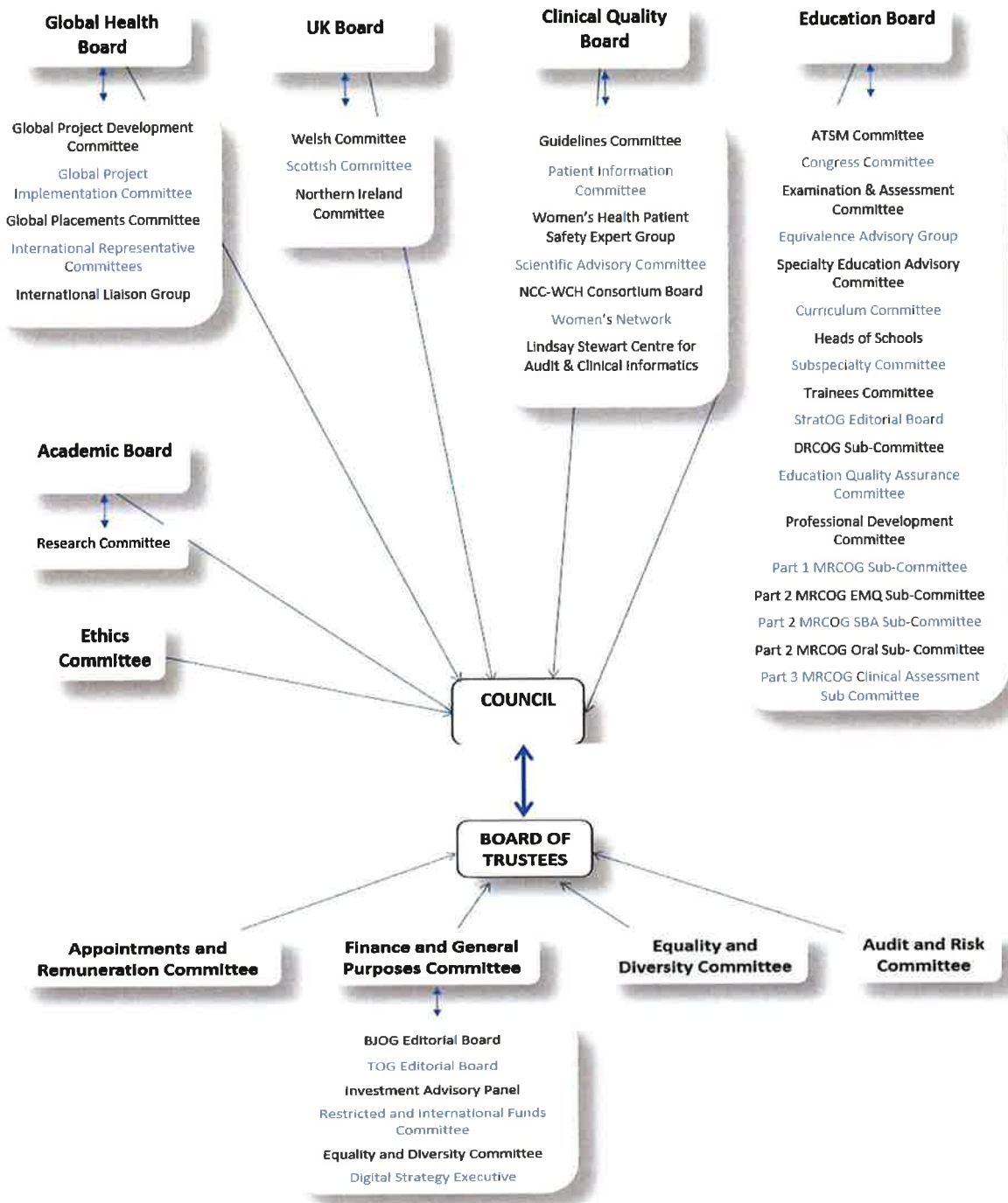
Active engagement for PR, marketing and other RCOG activities was also a feature of our social media including Twitter and Facebook, as well as our website where 'followers' and 'likes' increased to over 12,600 and 21,350 respectively. Moreover our LinkedIn page is now followed by almost 3000 people interested in our work.

Future Plans

- Other courses in the Excellence Series are scheduled for development including the first pilot for the Excellence in: Essential Gynae Skills pilot course that will take place in March 2016.
- The Policy & Public Affairs team is forging new links with a range of non-medical/clinical women's groups as part of the directorate's outreach programme and building the foundations to enable better planning for future advocacy work. RCOG's PPA team are developing new tools to collect evidence and better inform members of policy developments including better horizon-scanning and taking a more proactive stance in responding to political activities in parliament and government
- Leading Safe Choices will continue to deliver its programme of work in South Africa and will expand to Tanzania in 2016.

Report of the trustees

For the year ended 31 December 2015



Report of the trustees

For the year ended 31 December 2015

The Board of Trustees, chaired by the President, combines both clinical leadership with wider expertise, essential to charity governance. Its membership includes 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 4 lay Trustees.

The Board of Trustees provides the required scrutiny to the financial, business and legal matters of the College and is the ultimate decision making body.

The governance of the College is supported through Council, which develops policies and activities on all clinical and professional matters for women's health, recommending these to the Board of Trustees. Council, chaired by the President, meets on 6 occasions during each year. Its members include Honorary Fellows, Fellows and Members of the College, including 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.

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 the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, Trustees are required to:

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

The Trustees are responsible for keeping 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

Report of the trustees

For the year ended 31 December 2015

Royal Charter ,the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the College and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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.

Remuneration

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

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

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

The College operates an annual appraisal system to evaluate individual performance. This performance evaluation process enables an individual to move up their pay grade.

In addition to this the Board annually reviews all pay levels and, if affordable, awards an annual uplift. It is recommended that this reflects RPI (capped at 3%), however the Board can choose to exceed this and in 2015 they awarded a 2.5% annual uplift.

Report of the trustees

For the year ended 31 December 2015

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

Charity and related parties

Related party transactions totalled £6,760 during 2015. These transactions related to the chairing of committees and contributions to BJOG content. Full details of these payments can be found in Note 11 to the accounts.

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 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 ongoing review by the Investment and Advisory Panel, whose membership includes senior investment professionals. The recommendations of this group are scrutinised by the Finance and General Purposes Committee (F&GPC). All decisions must align with risk profile deemed acceptable by the Trustees.
- Reputational risk of an RCOG response to an external event or Government policy being negatively perceived.
Managed through the newly strengthened Media and Policy teams who can advise on RCOG responses, ensuring that information provided is factual and evidence based.

Nature of governing document

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

Public Benefit

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

Report of the trustees

For the year ended 31 December 2015

improve care, confirm that these benefits are being achieved. The general public and health professionals can access information via our website.

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

Financial Review

Report from the Vice President, Strategic Development

2015 Overview

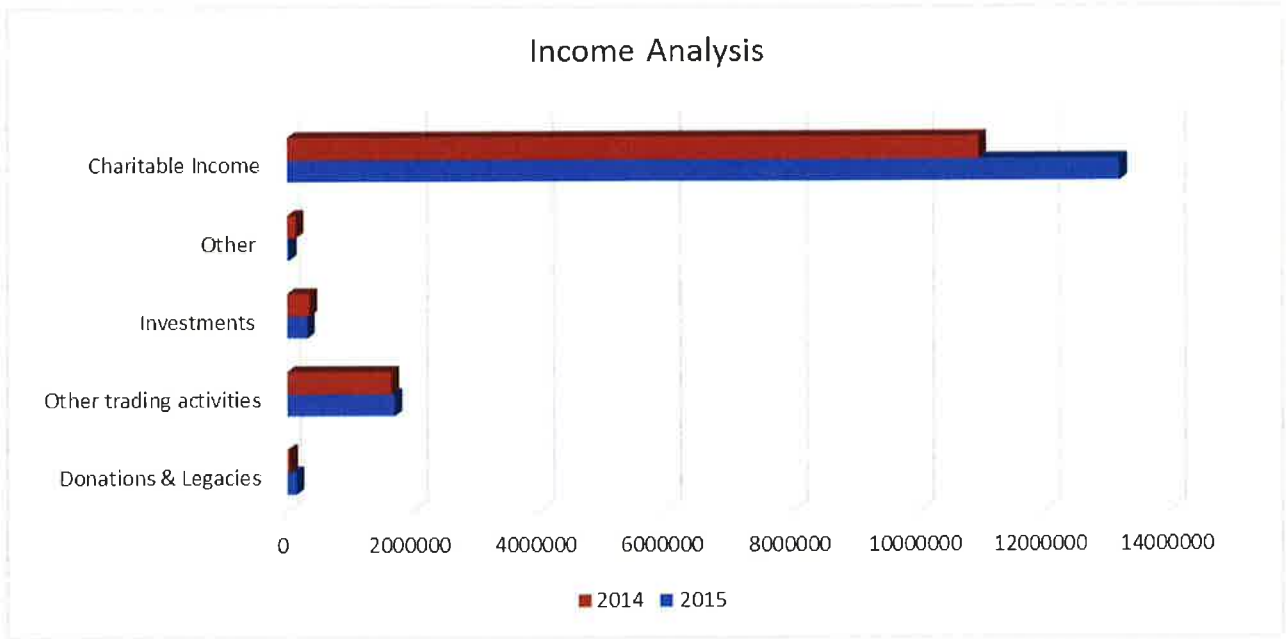
It is essential to maintain a strong financial and business model to support and prioritise RCOG's key strategic objectives and to allow the College to build for the future.

I am pleased to report that we have ended the year with a positive operational surplus of £800,954 (2014: £608,145).

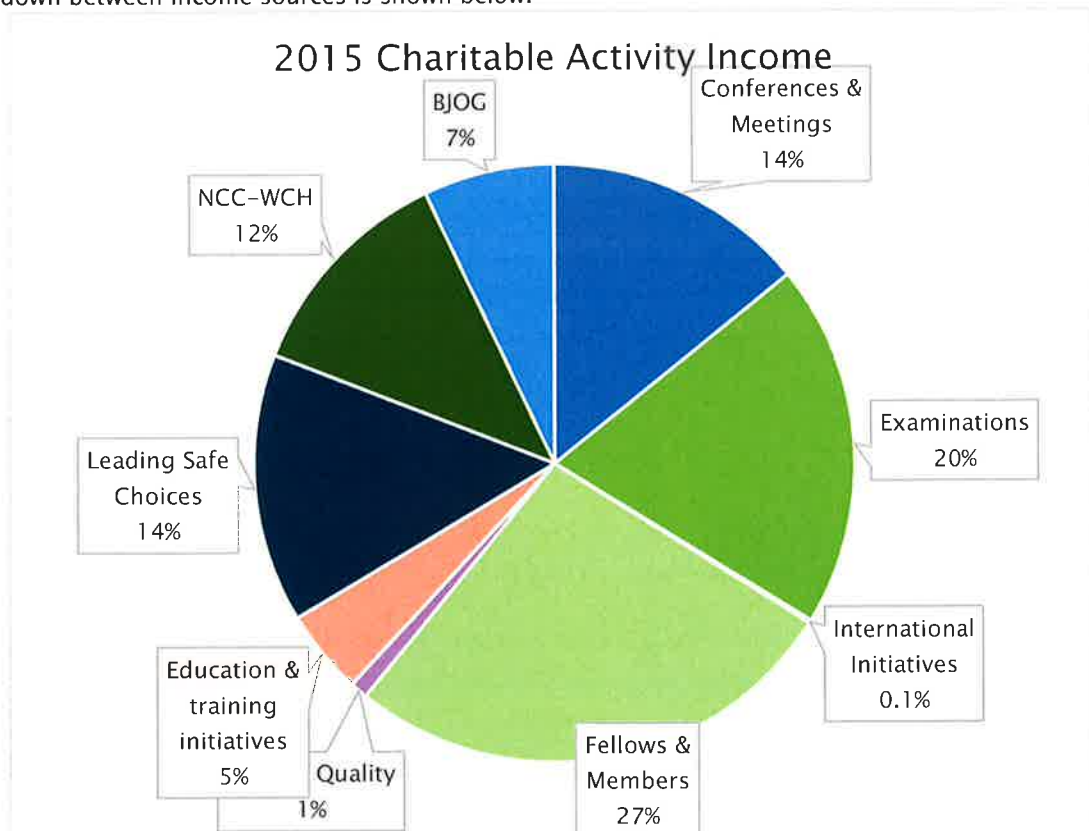
- This surplus was generated as a result of a number of contributing factors.
- The funding received for the Leading Safe Choices project, which the College is delivering in South Africa and Tanzania, contributed to the increase in restricted funding.
- The RCOG World Congress was held in partnership with RANZCOG and took place in Brisbane in April 2015. It attracted 2,324 participants from 43 countries.
- The new format Part 1 & Part 2 MRCOG exams were successfully introduced in March 2015
- RCOG Trading had another successful year, continuing to grow its income and providing vital support to the College's activities.

Analysis of Income & Expenditure

Income



Total income in 2015 increased by 17% to £15,361,126. Charitable activity income grew by 20.4% and a breakdown between income sources is shown below.



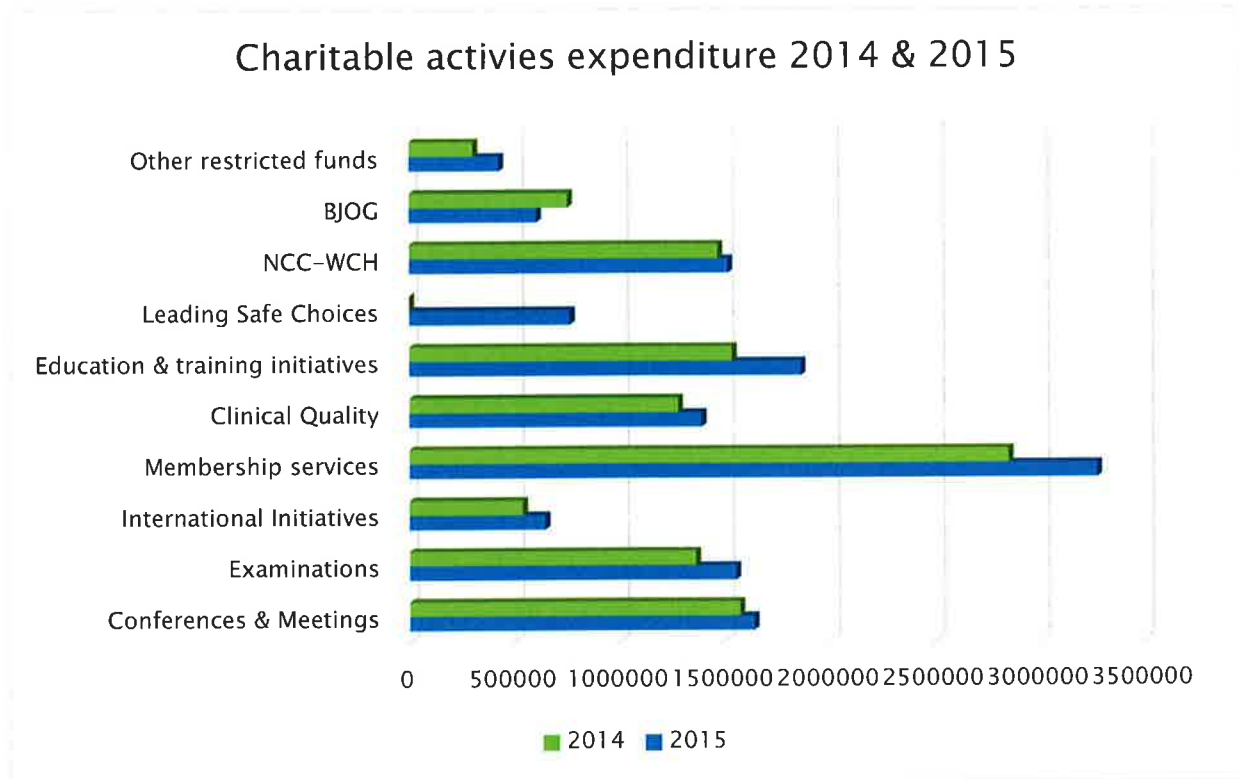
Report of the trustees

For the year ended 31 December 2015

Our core income streams show steady growth in 2015, resulting from increased uptake for the MRCOG exams, the launch of new international exam centres, the re-launch of Associate membership and the growing numbers of participants attending courses and utilising our educational resources.

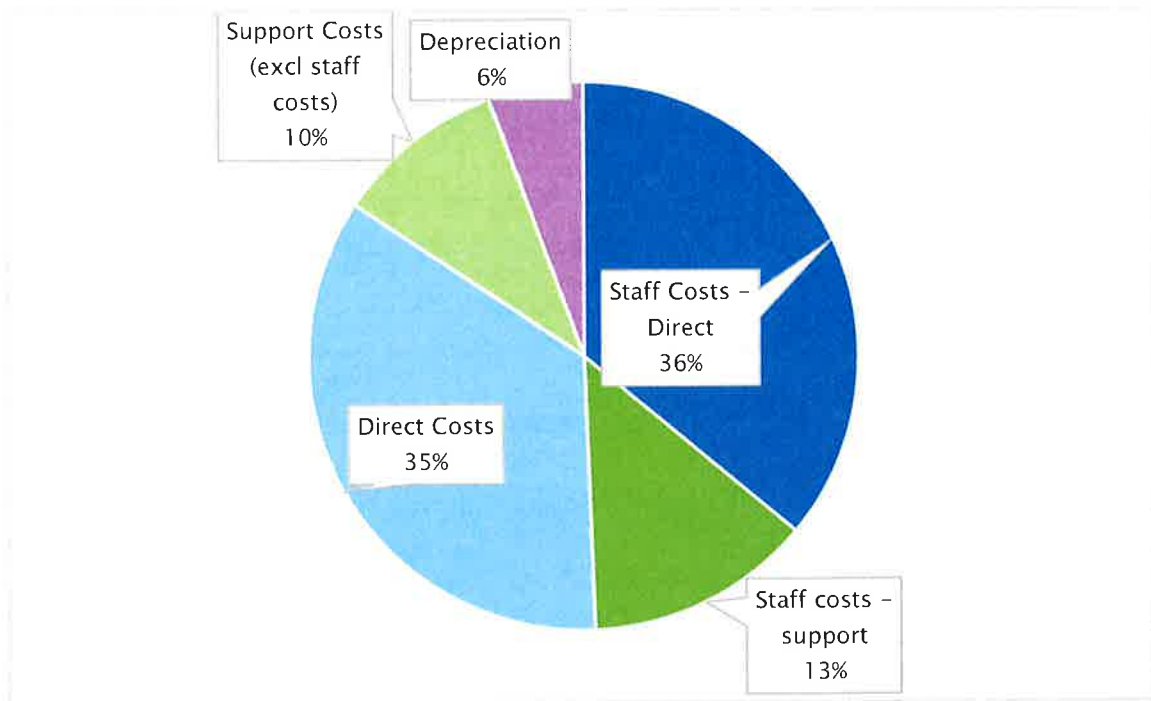
The single main contributor to the increased income was the restricted income received to fund the Leading Safe Choices pilot programme in South Africa & Tanzania. This is a three year programme and funds received are carried forward as a restricted fund to enable programme delivery.

Expenditure



Total expenditure increased by £2,047,525 in 2015 to £14,560,172. Charitable activities expenditure increased by £2,001,553, with expenditure on the new Leading Safe Choices programme accounting for 38% of that increase. Other increases reflect growth in activity.

A detailed expenditure analysis can be found in Note 7 to the accounts. The chart below shows the 2015 split between staff costs and other costs.



Support costs (excluding depreciation) totalled £3,404,734, representing 23% of total expenditure. These support costs are split over the charitable activities using the percentages shown in Note 1(j) to the accounts.

Policy on Reserves

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

The total reserves balance of £28,762,399 includes endowments, restricted funds and fixed assets, the largest of which is the building, which is not owned by the College, but leased. Only a small proportion of the reserve is backed by unrestricted, freely realisable cash.

Trustees view the appropriate level of free reserve to be 6 – 9 months of College running costs. This range has been set in reference to the corporate risk register; the likely impact on the College's charitable activities; the College's capacity to meet its financial obligations and the capacity to reduce general expenditure in the immediate short term, should there be a shortfall in annual income. The risks surrounding the defined benefit pension liability have also been taken into consideration.

At 31 December 2015, the free reserves amounted to £8,514,149 (2014: £7,756,146). This represents approximately 8 months of the 2016 budgeted running costs. The 2015 free reserve includes £902,026 of freely realisable cash. The majority of the funds are invested in short and medium term vehicles which generate a small but steady income.

The Trustees annually review the amount of free reserves, to ensure that they are sufficient to manage risk within the business.

Report of the trustees

For the year ended 31 December 2015

The total of free reserves is calculated as follows:

	2015	2014
Total charity funds	28,762,398	28,048,310
Less Permanent endowment funds	(2,437,571)	(2,454,282)
Less Expendable endowment funds	(1,375,720)	(1,549,617)
Less Restricted income funds	(6,347,622)	(5,800,402)
Less Designated funds	(10,777,113)	(10,831,534)
Add Pension reserve	839,000	949,000
Less General funds represented by plant, furniture and equipment	(149,223)	(605,329)
Total free reserves	£8,514,149	£7,756,146

Designated funds

Designated funds reflect a total of £10,777,113 (2014: £10,831,534). Of this £9,697,839 is represented by fixed assets, including the heritage fund of £300,000, representing the valuation of those historic donations of furniture, books, pictures and equipment, and £8,982,092 leasehold property fund held for continuing use by the College. Details on all remaining funds are included in note 20 to 18 on pages 45 to 50 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 identified risk parameters
 - 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

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.

Report of the trustees

For the year ended 31 December 2015

Transfer of Permanent Endowments

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

Following the passing of the required resolution by the Board during 2014, the total return approach was applied to 7 of the permanent endowments. This transfer allows the College to use any gains made on those endowments as income. The policy is to treat the calculated present value of the original gift as the "core capital" that will remain as an endowment. The remaining value is the "unapplied return". Out of that, the College is able to set aside 5% each year, available to spend on restricted projects, this being the "applied return". Details of these funds are included in note 20 on pages 45 to 50.

Fund Management

Funds managed by Newton Investment Management (NIM) showed a total surplus return of 1.1% for the year. Funds managed in year by Blackrock showed a total loss on return of 0.49% for the year. Newton's fund target is to achieve 1 month LIBOR + 4% over a rolling 5 year period. The Blackrock fund target is set at 3 month LIBOR+3% over a 5 year period.

The total market investment portfolio grew by 14%, from £16,510,063 in 2014 to £18,824,275 in 2015. This included additional investments into 2 new vehicles managed by Mayfair Capital Investment Management and Sarasin & Partners

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

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

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 £584,836 (2014: £639,462), 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 3%. In April 2015 the sales and servicing of overnight accommodation was externally sourced to Graysons. 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

Report of the trustees

For the year ended 31 December 2015

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 in 2014 with further deficit repayments scheduled from 2017.

At 31 December 2015, the College's share of the accounting liability was £839,000 (2014: £949,000). This slight improvement is the change in assumptions which has decreased the defined benefit obligation. This is primarily due to a higher discount rate following rises in corporate bond yields over the year. However, this improvement was partly offset by lower investment returns over the year, which were not sufficient to match the increase in the defined benefit obligation. Further details of the schemes can be found in note 24 on pages 52 to 55 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 12 May 2016 and are signed on their behalf by



Professor Lesley Regan MD FRCOG
Vice President, Strategic Development

Independent auditors' report

To the members of

Royal College of Obstetricians & Gynaecologists

We have audited the financial statements of Royal College of Obstetricians & Gynaecologists for the year ended 31 December 2015 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 charity'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.

Independent auditors' report

To the members of

Royal College of Obstetricians & Gynaecologists

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 2015, 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.

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.



24 May 2016

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

Statement of financial activities

For the year ended 31 December 2015

	Note	Endowment £	Unrestricted £	Restricted £	2015 Total £	Endowment £	Unrestricted £	Restricted £	2014 Total £
Income from:									
Donations and legacies	3	-	8,208	137,186	145,394	-	25,065	20,631	45,696
Charitable activities	4	-	9,850,789	3,319,085	13,169,874	-	8,914,091	2,020,275	10,934,366
Other trading activities	5	-	1,692,544	-	1,692,544	-	1,642,778	-	1,642,778
Investments	6	16,368	117,641	186,845	320,854	31,889	118,628	209,669	360,186
Other		-	32,460	-	32,460	-	137,766	-	137,766
Total income		16,368	11,701,642	3,643,116	15,361,126	31,889	10,838,328	2,250,575	13,120,792
Expenditure on:									
Raising funds	7	-	73,990	-	73,990	-	145,322	-	145,322
Charitable activities		-	10,863,117	2,779,948	13,643,065	-	9,593,740	2,047,772	11,641,512
Other trading activities		-	843,117	-	843,117	-	725,813	-	725,813
Total expenditure		-	11,780,224	2,779,948	14,560,172	-	10,464,875	2,047,772	12,512,647
Net income / (expenditure) before net gains / (losses) on investments		16,368	(78,582)	863,168	800,954	31,889	373,453	202,803	608,145
Net gains / (losses) on investments		(50,939)	(64,525)	(97,401)	(212,865)	45,131	225,014	9,860	280,005
Net income / (expenditure)	9	(34,571)	(143,107)	765,767	588,089	77,020	598,467	212,663	888,150
Transfers between funds	20	(156,036)	374,583	(218,547)	-	(2,657,807)	(470,267)	3,128,074	-
Net income / (expenditure) before other recognised gains and losses		(190,607)	231,476	547,220	588,089	(2,580,787)	128,200	3,340,737	888,150
Actuarial gains / (losses) on defined benefit pension schemes		-	126,000	-	126,000	-	(915,000)	-	(915,000)
Net movement in funds		(190,607)	357,476	547,220	714,089	(2,580,787)	(786,800)	3,340,737	(26,850)
Reconciliation of funds:									
Total funds brought forward		4,003,899	18,244,009	5,800,402	28,048,310	6,584,686	19,030,809	2,459,665	28,075,160
Total funds carried forward		3,813,292	18,601,485	6,347,622	28,762,399	4,003,899	18,244,009	5,800,402	28,048,310

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 Note 20 to the financial statements.

Royal College of Obstetricians and Gynaecologists

Balance sheet

As at 31 December 2015

	Note	The Group 2015 £	2014 £	The Charity 2015	2014 £
Fixed assets:					
Tangible assets	13	9,847,062	10,111,973	9,847,062	10,111,973
Investments	15	18,824,276	16,510,063	18,824,278	16,510,065
		<u>28,671,338</u>	<u>26,622,036</u>	<u>28,671,340</u>	<u>26,622,038</u>
Current assets:					
Stock		21,077	35,026	4,817	5,935
Debtors	16	1,465,522	908,601	1,247,705	773,123
Cash at bank and in hand		2,875,653	4,125,706	2,874,813	4,125,706
		<u>4,362,252</u>	<u>5,069,333</u>	<u>4,127,335</u>	<u>4,904,764</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(3,432,191)	(2,694,059)	(3,197,276)	(2,529,492)
Net current assets		<u>930,061</u>	<u>2,375,274</u>	<u>930,059</u>	<u>2,375,272</u>
Total assets less current liabilities		<u>29,601,399</u>	<u>28,997,310</u>	<u>29,601,399</u>	<u>28,997,310</u>
Creditors: amounts falling due after one year		-	-	-	-
Net assets excluding pension asset / (liability)		<u>29,601,399</u>	<u>28,997,310</u>	<u>29,601,399</u>	<u>28,997,310</u>
Defined benefit pension scheme asset / (liability)		(839,000)	(949,000)	(839,000)	(949,000)
Total net assets / (liabilities)		<u>28,762,399</u>	<u>28,048,310</u>	<u>28,762,399</u>	<u>28,048,310</u>
The funds of the charity:	19				
Capital funds:					
Permanent endowment funds		2,437,571	2,454,282	2,437,571	2,454,282
Expendable endowment funds		1,375,721	1,549,617	1,375,721	1,549,617
		<u>3,813,292</u>	<u>4,003,899</u>	<u>3,813,292</u>	<u>4,003,899</u>
Restricted income funds		6,347,622	5,800,402	6,347,622	5,800,402
Unrestricted income funds:					
Designated funds		10,777,113	10,831,534	10,777,113	10,831,534
Pension reserve		(839,000)	(949,000)	(839,000)	(949,000)
General funds		8,663,372	8,361,475	8,663,372	8,361,475
		<u>18,601,485</u>	<u>18,244,009</u>	<u>18,601,485</u>	<u>18,244,009</u>
Total unrestricted funds		<u>18,601,485</u>	<u>18,244,009</u>	<u>18,601,485</u>	<u>18,244,009</u>
Total charity funds		<u>28,762,399</u>	<u>28,048,310</u>	<u>28,762,399</u>	<u>28,048,310</u>

Approved by the trustees on 12 May 2016 and signed on their behalf by



Professor Lesley Regan MD FRCOG
Vice President, Strategic Development

Royal College of Obstetricians and Gynaecologists

Statement of cash flows

For the year ended 31 December 2015

	Note	2015 £	£	2014 £	£
Cash flows from operating activities	21				
Net cash provided by / (used in) operating activities			1,123,224		(606,879)
Cash flows from investing activities:					
Dividends, interest and rents from investments		320,854		360,186	
Purchase of fixed assets		(167,054)		(398,519)	
Proceeds from sale of investments		1,596,107		-	
Purchase of investments		(4,123,184)		(1,714,244)	
Net cash provided by / (used in) investing activities			(2,373,277)		(1,752,577)
Change in cash and cash equivalents in the year			(1,250,053)		(2,359,456)
Cash and cash equivalents at the beginning of the year			4,125,706		6,485,162
Cash and cash equivalents at the end of the year	22		2,875,653		4,125,706

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (August 2014).

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

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

b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014. No transitional adjustments were required.

At the date of transition the contract with NICE for the operation of the NCC–WCH Guidelines Centre was reclassified from designated activity to restricted activity.

c) Public benefit entity

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

d) Going concern

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

The College has a free reserve policy which provides cover for 6 to 9 months of budgeted running costs, at the year end the free reserve totalled £8,514,149. In addition an extensive financial planning exercise was conducted during 2015 and displayed balanced budget positions from 2016 to 2018. Therefore it is reasonable to assess that there are sufficient resources available to allow the College to operate for the foreseeable future.

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

e) Income

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

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

1 Accounting policies (continued)

f) Donations of gifts, services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

On receipt, donated gifts, professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

g) Interest receivable

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

h) Fund accounting

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

Endowment funds are split between permanent endowments and expendable endowments. The capital of the permanent endowments must be maintained, although the income can be utilised in accordance with the terms of the endowment. The total return approach is applied to 7 of the College's permanent endowments. The policy is to treat the calculated present value of the original gift as the "core capital" that remains an endowment. The remaining value is the unapplied return and from this the College can set aside 5% each year for use on restricted projects, this represents the "applied return".

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

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

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering membership, examination, educational services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

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

Notes to the financial statements

For the year ended 31 December 2015

1 Accounting policies (continued)

j) Allocation of support costs

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

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

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

● Conferences and meetings	12%
● Examinations	12%
● International initiatives	6%
● Fellows and Members	30%
● Standards and clinical governance	15%
● Education and training initiatives	20%
● BJOG	3%
● Raising Funds	2%

k) Operating leases

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

l) Tangible fixed assets

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

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

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

Donated assets, where market value can be determined, are stated at fair value in the balance sheet.

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

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

1 Accounting policies (continued)

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

q) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

r) Pensions

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

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

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

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

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

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2015

2 Income from donations and legacies

	Unrestricted £	Restricted £	2015 total Total £	2014 Total £
Gifts & Donations	8,208	137,186	145,394	45,696
	<u>8,208</u>	<u>137,186</u>	<u>145,394</u>	<u>45,696</u>

Gifts & donations represent income from fundraising activities.

3 Income from charitable activities

	Endowment £	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Conferences and meetings	-	1,863,567	-	1,863,567	1,842,969
Examinations	-	2,592,430	-	2,592,430	2,397,912
International initiatives	-	17,062	-	17,062	14,799
Membership services	-	3,546,489	-	3,546,489	3,313,394
Clinical quality	-	117,057	8,529	125,586	514,442
Education and training initiatives	-	598,722	4,831	603,553	435,401
Leading Safe Choices	-	-	1,911,028	1,911,028	-
NCC WCH	-	185,594	1,394,698	1,580,292	1,593,797
BJOG	-	929,867	-	929,867	821,652
Total income from charitable activities	-	<u>9,850,788</u>	<u>3,319,086</u>	<u>13,169,874</u>	<u>10,934,366</u>

4 Income from other trading activities

	Endowment £	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Venue hire and catering	-	1,505,791	-	1,505,791	1,461,550
Accommodation and service charges	-	186,753	-	186,753	181,228
	-	<u>1,692,544</u>	-	<u>1,692,544</u>	<u>1,642,778</u>

5 Income from investments

	Endowment £	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Newton Real Return Income Fund	16,368	-	181,846	198,214	222,097
BJJF Dynamic Diversified Growth Fund	-	73,656	4,999	78,655	77,515
Other Investments	-	43,985	-	43,985	60,574
	<u>16,368</u>	<u>117,641</u>	<u>186,845</u>	<u>320,854</u>	<u>360,186</u>

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2015

6 Trading Income and Expenditure

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

	2015 £	2014 £
Profit and loss account		
Turnover	1,532,198	1,494,749
Cost of sales	<u>(657,603)</u>	<u>(541,296)</u>
Gross profit	874,595	953,453
Administrative expenses	<u>(289,759)</u>	<u>(313,991)</u>
Operating profit	<u>584,836</u>	<u>639,462</u>
Profit on ordinary activities before taxation	584,836	639,462
Taxation	<u>—</u>	<u>—</u>
Profit on ordinary activities after taxation	584,836	639,462
Gift aid donation to Royal College of Obstetricians and Gynaecologists	<u>(584,836)</u>	<u>(639,462)</u>
Profit for the financial year	<u><u>—</u></u>	<u><u>—</u></u>
Balance sheet		
Debtors	349,316	229,554
Stock	16,262	29,091
Cash at bank	<u>839</u>	<u>—</u>
	366,417	258,645
Creditors: amounts falling due within one year	<u>(366,415)</u>	<u>(258,643)</u>
Net assets	2	2
Share Capital	2	2
Profit and loss account	<u>—</u>	<u>—</u>
	<u>2</u>	<u>2</u>
Capital and reserves as at 31 December 2015	<u><u>2</u></u>	<u><u>2</u></u>

7 Analysis of expenditure

	Charitable activities													2015 Total £	2014 Total £
	Cost of raising funds £	Conference and Meetings £	Examinations £	International initiatives £	Membership services £	Clinical Quality £	Education and Training Initiatives £	Leading Safe Choices £	NCC WCH Gynaecology £	British Journal of Obstetrics and Gynaecology £	Other restricted funds £	Other trading activities £	Governance costs £		
Staff costs (Note 10)	82,860	367,281	483,426	220,515	1,237,176	629,923	671,048	418,568	1,122,367	486,432	423,441	12,511	51,156	1,949,323	6,340,592
Direct costs (Note 7 a)	(8,870)	757,793	561,779	163,981	740,982	139,979	315,927	342,665	389,365	486,432	423,441	725,275	51,156	-	4,191,668
Officers, Council and Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	369,464	337,623
Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	167,780	159,630
Facilities and Premises	-	-	-	-	-	-	-	-	-	-	-	-	-	918,167	830,346
Other:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation/IT/HR & Pension	-	-	-	-	-	-	-	-	-	-	-	-	-	819,858	652,788
	73,990	1,125,074	1,045,205	384,496	1,978,158	769,902	986,975	761,233	1,511,732	486,432	423,441	737,786	51,156	4,224,592	12,512,647
Support costs	-	505,266	499,772	254,182	1,276,004	609,691	861,276	-	-	114,400	-	104,001	-	(4,224,592)	-
Governance costs	-	6,394	5,372	3,376	16,165	7,520	9,771	-	-	1,227	-	1,330	(51,156)	-	-
Total expenditure 2015	73,990	1,636,734	1,550,349	642,054	3,270,327	1,387,113	1,858,022	761,233	1,511,732	602,059	423,441	843,117	-	-	14,560,172
Total expenditure 2014	145,322	1,569,192	1,359,657	536,077	2,846,705	1,277,477	1,532,852	-	1,465,839	751,432	302,281	725,813	-	-	12,512,647

Of the total expenditure, £11,780,224 was unrestricted (2014: £10,464,875) and £2,779,948 was restricted (2014: £2,047,772).

Direct costs comprise:

7a Conferences and meetings

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

Examinations

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

International initiatives

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

Fellows and members

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

Clinical quality

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

Education and training

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

Leading Safe Choices

Costs incurred for the delivery of the LSC project.

NCC-WCH

Costs incurred in delivering NICE guidelines for women and children.

BJOG

Includes editorial costs, publication costs and distribution costs.

Other restricted funds

Costs incurred in the delivery of restricted activity.

Notes to the financial statements

For the year ended 31 December 2015

8 Net incoming resources for the year

This is stated after charging / crediting:

	2015	2014
	£	£
Depreciation	431,964	335,881
Operating lease rentals:		
Land	25,000	25,000
Other	31,042	31,426
Auditors' remuneration (excluding VAT):		
Audit (college)	20,000	21,000
Audit (subsidiary)	5,000	3,600
Other services	4,170	5,780

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

Staff costs were as follows:

	2015	2014
	£	£
Salaries and wages	5,991,174	5,416,428
Termination & redundancy payments	218,402	32,349
Social security costs	635,792	554,183
Pension contributions	349,630	337,632
	7,194,998	6,340,592

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:

	2015	2014
	No.	No.
£60,001-£70,000	7	10
£70,001-£80,000	4	2
£80,001-£90,000	2	1
£90,001-£100,000	1	-
£120,001-£130,000	1	-
£130,001-£140,000	1	1

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and Executive Directors. The total employee benefits including pension contributions of the key management personnel were £481,174 (No of staff - 4) (2014: £468,961) (No of staff -4)).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2014: £nil). No charity trustee received payment for professional or other services supplied to the charity (2014: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £275,698 (2014: £181,368) incurred by 47 (2014: 36) members relating to attendance at meetings of the trustees.

Notes to the financial statements

For the year ended 31 December 2015

10 Staff numbers

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

	2015 No.	2014 No.
Raising funds	2.0	2.0
Conferences & Meetings	9.0	8.0
Examination	9.0	8.0
International Initiative	5.0	5.0
Membership services	24.0	20.0
Clinical Quality	14.0	13.0
Education and training initiatives	22.0	16.0
NCC WCH	24.0	28.0
BJOG	2.0	2.0
Support	36.0	40.0
Governance	1.0	1.0
	148.0	143.0

11 Related party transactions

Related party transactions for 2015 totalled £6,760. These were payments to Council members as follows; C. Broderick – honorarium of £4,500 for chairing the Women's Network; M Lumsden – £1,500 of fees for acting as group leader of NCC-WCH project; S Doumouchtsis – £760 for editorial services for BJOG (2014: £2,993).

Aggregate donations from related parties were £1,000 (2014: £175).

12 Taxation

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

13 Tangible fixed assets

	Leasehold buildings £	Plant, furniture and £	Donated assets £	Total £
Cost				
At the start of the year	12,740,329	1,842,075	300,000	14,882,404
Additions in year	-	167,054	-	167,054
At the end of the year	12,740,329	2,009,129	300,000	15,049,458
Depreciation				
At the start of the year	3,533,685	1,236,746	-	4,770,431
Charge for the year	224,552	207,412	-	431,964
At the end of the year	3,758,237	1,444,158	-	5,202,395
Net book value				
At the end of the year	8,982,092	564,971	300,000	9,847,063
At the start of the year	9,206,644	605,329	300,000	10,111,973

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.

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31 December 2015

14 Heritage Assets

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

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

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

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

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

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

15 Listed investments

	2015 £	2014 £
Consolidated		
Market value at the start of the year	16,510,063	14,515,814
Additions at cost	4,123,184	1,714,244
Disposals at carrying value	(1,596,106)	-
Net gain / (loss) on revaluation	(212,866)	280,005
Market value at the end of the year	<u>18,824,275</u>	<u>16,510,063</u>
Cost of listed investments	<u>18,217,512</u>	<u>15,695,391</u>

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

Investments comprise:

	2015 £	2014 £
UK based unit trusts	9,722,892	8,677,935
UK based equity funds	7,715,267	7,832,128
Overseas equities	386,066	
Cash awaiting re-investment	1,000,048	
	<u>18,824,273</u>	<u>16,510,063</u>

Investments representing over 5% by value of the portfolio comprise:

	2015 £	2014 £
MFM Newton Real Return Income Fund	8,578,032	8,677,935
BIJF Dynamic Diversified Growth Fund	<u>7,715,267</u>	<u>7,832,128</u>

Notes to the financial statements

For the year ended 31 December 2015

16 Debtors

	The Group		The Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	580,061	528,870	362,661	394,892
Other debtors	463,111	229,769	462,694	228,269
Prepayments and accrued income	422,350	149,962	422,350	149,962
	1,465,522	908,601	1,247,705	773,123

17 Creditors: amounts falling due within one year

	The Group		The Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	880,867	184,948	802,179	167,843
Amounts owed to subsidiary	-	-	131,498	94,075
Taxation and social security	334,889	312,160	326,037	304,898
Accruals	611,338	549,882	604,709	508,369
Deferred income	1,605,097	1,647,069	1,332,853	1,654,307
	3,432,191	2,694,059	3,197,276	2,729,492

18 Deferred income

Deferred income comprises membership, exam and delegate fees which relate to 2016

	2015	2014
	£	£
Balance at the beginning of the year	1,647,069	1,712,312
Amount released to income in the year	(1,647,069)	(1,701,895)
Amount deferred in the year	1,605,097	1,636,652
Balance at the end of the year	1,605,097	1,647,069

Notes to the financial statements

For the year ended 31 December 2015

19 Analysis of net assets between funds

	General unrestricted £	Designated £	Pension £	Endowment £	Restricted £	Total funds £
Tangible fixed assets	149,223	9,697,839	-	-	-	9,847,062
Investments	9,789,190	-	-	3,813,292	5,221,794	18,824,276
Net current assets/(liabilities)	(1,275,041)	1,079,274	-	-	1,125,828	930,061
Long term liabilities	-	-	(839,000)	-	-	(839,000)
Net assets at the end of the year	8,663,372	10,777,113	(839,000)	3,813,292	6,347,622	28,762,399

20a Movements in funds

	At the start of £	Incoming £	Investment £	Transfers £	At the end of £
Permanent Endowments					
Edgar Research – Jean Ethel Gentili	503,563	-	(6,295)	5,791	503,059
Florence and William Blair Bell	1,043,908	-	(13,050)	-	1,030,858
Sims Black Travelling Professors Fund	463,675	-	(5,796)	5,333	463,212
Thomas Watts Eden Fellowship	245,672	-	(3,071)	2,825	245,426
Green Armytage and Spackman	29,466	-	(368)	(291)	28,807
Green Armytage Anglo American	31,487	-	(394)	-	31,093
Tim Chard Prize Fund	29,524	-	(369)	-	29,155
Florence Blair–Bell Art Fund	20,784	-	(260)	240	20,764
William Blair–Bell Memorial	27,125	-	(339)	-	26,786
Victor Bonney Prize Fund	25,859	-	(323)	-	25,536
James Wyatt Dining Fund	14,347	-	(179)	-	14,168
JY Simpson Oration	1,989	-	(25)	24	1,988
William Meredith Fletcher Shaw	12,826	-	(160)	-	12,666
Sir Eardley Holland Medal fund	4,057	-	(51)	47	4,053
	2,454,282	-	(30,680)	13,969	2,437,571
Expendable Endowments					
President's Fund	174,582	4,595	(2,182)	-	176,995
President's Global Health Fund	257,334	6,773	(3,217)	-	260,890
Ethicon Foundation Fund	133,402	-	(1,668)	-	131,734
Lindsay Stewart Fund	984,299	5,000	(13,192)	(170,005)	806,102
	1,549,617	16,368	(20,259)	(170,005)	1,375,721
Total endowment funds	4,003,899	16,368	(50,939)	(156,036)	3,813,292

20a Movements in funds (continued)

Permanent endowments

Edgar Research – Jean Ethel Gentilli Scholarship

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

Florence and William Blair–Bell Memorial Fund

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

Sims Black Travelling Fund

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

Thomas Watts Eden Fellowship

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

Green Armytage and Spackman Travelling Scholarship Fund

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

Green Armytage Anglo American

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

Tim Chard Prize fund

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

Florence Blair–Bell Art fund

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

William Blair–Bell Memorial

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

Victor Bonney Prize fund

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

James Wyatt Dining fund

To provide a dinner for 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.

Ethlcon Foundation Fund

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

Lindsay Stewart Research and Development Fund

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

Notes to the financial statements

For the year ended 31 December 2015

20b Movements in funds (cont.)

	At the start of the year £	Incoming resources & gains £	Outgoing resources & losses £	Transfers £	At the end of the year £
Restricted funds:					
Scholarship and lecture funds					
Lockyer Travelling Fellowship	740,235	19,484	(118,124)	-	641,595
Bernhard Baron Scholarship Fund	340,133	8,953	(9,381)	-	339,705
Sims Black Travelling Professors Fund	797,870	33,206	(33,206)	(5,333)	792,537
Thomas Watts Eden Fellowship	66,169	8,208	(25,221)	(2,825)	46,331
Other Funds	170,766	7,151	(6,278)	291	171,930
	<u>2,115,173</u>	<u>77,002</u>	<u>(192,210)</u>	<u>(7,867)</u>	<u>1,992,098</u>
Research funds					
Sir William Gilliatt Memorial Fund	41,627	1,096	(6,803)	-	35,920
Edgar Research-Jean Ethel Gentilli	2,070,294	67,748	(47,333)	(5,791)	2,084,918
Florence and William Blair-Bell Memorial Fund	130,388	30,909	(2,230)	-	159,067
	<u>2,242,309</u>	<u>99,753</u>	<u>(56,366)</u>	<u>(5,791)</u>	<u>2,279,905</u>
Other special purpose funds					
Marjorie Kuck	20,118	-	(201)	-	19,917
Millenium Endometriosis Fund	16,975	5,277	(212)	-	22,040
President's Fund	-	-	-	-	-
Leading Safe Choices	-	1,911,028	(761,233)	-	1,149,795
Other funds	339,698	84,858	(246,710)	302,911	480,757
	<u>376,791</u>	<u>2,001,163</u>	<u>(1,008,356)</u>	<u>302,911</u>	<u>1,672,509</u>
Government grants					
NCC-WCH	428,858	1,394,698	(1,511,731)	-	311,825
MTI Initiative	41,515	-	-	(41,515)	-
International Project Funds	133,392	-	(174)	(133,218)	-
Speciality Recruitment	74,101	-	-	(74,101)	-
EFL	107,695	2,500	(37,410)	-	72,785
Speciality Advisor	18,811	-	-	(18,811)	-
Research Committees	1,000	-	-	(1,000)	-
Map of Medicine	7,500	-	-	(7,500)	-
HMB Audit	154,045	-	-	(154,045)	-
Focus Groups	1,199	-	-	(1,199)	-
ToP	39,868	-	-	(39,868)	-
Neonatal Strep B	58,145	-	(21,602)	(36,543)	-
THET	-	68,000	(49,500)	-	18,500
	<u>1,066,129</u>	<u>1,465,198</u>	<u>(1,620,417)</u>	<u>(507,800)</u>	<u>403,110</u>
Total restricted funds	<u>5,800,402</u>	<u>3,643,116</u>	<u>(2,877,349)</u>	<u>(218,547)</u>	<u>6,347,622</u>

20b Movements in funds (cont.)

Purposes of restricted funds

Scholarship and Lecture Funds

Lockyer Travelling Fellowship

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

Bernhard Baron Scholarship fund

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

Sims Black Travelling Professors fund

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

Thomas Watts Eden Fellowship

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

Research funds

Sir William Gilliatt Memorial fund

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

Edgar Research – Jean Ethel Gentilli

To fund education and or research into Obstetrics and 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.

Leading Safe Choices

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

Government Grants

NCC-WCH

Under FRS102 this has been reclassified from designated funds to restricted funds

International project funds

This represents funds received from various sources to fund international work including the work of the international liaison group. The balance on this fund has been transferred to other special purpose funds within restricted funds.

EFL

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

THET

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

Other funds

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

Notes to the financial statements

For the year ended 31 December 2015

20c Movements in funds

Unrestricted funds

	At the start of the year	Incoming resources	Outgoing resources	Transfers	At the end of the year
	£	£	£	£	£
Designated funds					
Property fund	9,206,644	-	-	(224,552)	8,982,092
Overseas fund	414,888	-	2,240	-	417,128
NCC - WCH	-	-	-	-	-
Heritage Fund	300,000	-	-	-	300,000
Education Fund	228,523	-	-	-	228,523
Repairs Fund	155,801	-	(88,574)	-	67,227
Leasehold Uplift	200,000	-	-	-	200,000
John Lawson Fund	27,473	-	(150)	-	27,323
Soft Furnishings - RORP	40,000	-	-	-	40,000
Soft Furnishings - Other	22,238	-	-	-	22,238
Herbert Erik Reiss Memorial Fund	15,131	-	(400)	-	14,731
Edgar Gentilli Research Fund	11,689	-	(256)	-	11,433
Recruitment Fund	14	-	-	-	14
Carpet provision	20,000	-	-	-	20,000
Maternal 3rd World Care	1,909	-	-	-	1,909
Website Critical Support	187,224	-	-	-	187,224
Long term liability Fund	-	-	-	231,476	231,476
Trainees Committee Fund	-	-	-	25,795	25,795
Total designated funds	10,831,534	-	(87,140)	32,719	10,777,113
General funds	8,361,475	11,701,642	(11,741,609)	341,864	8,663,372
Total unrestricted funds	19,193,009	11,701,642	(11,828,749)	374,583	19,440,485
Pension fund	(949,000)	126,000	(16,000)	-	(839,000)
Total funds including pension fund	18,244,009	11,827,642	(11,844,749)	374,583	18,601,485

20c Movements in funds (cont.)

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. At the transition date of 1 January 2014 this activity was reclassified as restricted and the fund was transferred to restricted 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 – RORP

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".

Website Critical Support

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

Long term liability fund.

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

Trainees' Committee Fund

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

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

	2015 £	2014 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	588,089	888,150
Depreciation charges	431,964	335,881
(Gains)/losses on investments	212,865	(280,004)
Dividends, interest and rent from investments	(320,854)	(360,186)
(Increase)/decrease in stocks	13,949	15,818
(Increase)/decrease in debtors	(556,921)	71,538
Increase/(decrease) in creditors	738,132	(380,076)
Pension adjustments	16,000	(898,000)
Net cash provided by / (used in) operating activities	1,123,224	(606,879)

22 Analysis of cash and cash equivalents

	At 1 January 2015 £	Cash flows £	Other changes £	At 31 December 2015 £
Cash in hand	4,125,706	(1,250,053)	-	2,875,653
Total cash and cash equivalents	4,125,706	(1,250,053)	-	2,875,653

23 Operating lease commitments

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

	Land and buildings		Equipment	
	2015 £	2014 £	2015 £	2014 £
Less than 1 year	25,000	25,000	31,042	31,042
1 - 5 Years	125,000	125,000	62,085	93,127
Over 5 years	2,525,000	2,550,000	-	-
	2,675,000	2,700,000	93,127	124,169

Notes to the financial statements

For the year ended 31 December 2015

24 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 £345,484 (2014 - £251,183).

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. On an approximate basis, RCOG is responsible for c84.8% of the total liability.

In previous years the exact valuation of RCOG's share of the deficit has not been possible, however a valuation for 2014 and 2015 was possible during the year and therefore figures have been restated to reflect this. The details of the impact on funds brought forward and income and expenditure is detailed in note 26.

For the purposes of FRS102, 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 2015. This update is inherently less rigorous than a full valuation, adding to the level of uncertainty which pervades any assessment of the current value of the scheme's long term obligations and likely ability of the expected performance of its assets to meet those obligations.

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

	31 December 2015 £'000	31 December 2014 £'000
Fair value of scheme assets	15,515	16,067
Present value of scheme liabilities	16,354	17,016
Surplus/(Deficit) in scheme	<u>(839)</u>	<u>(949)</u>

The present value of scheme liabilities is measured by discounting the best estimate of future cash flows to be paid out by the

Notes to the financial statements

For the year ended 31 December 2015

24 Pension costs (continued)

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

	2015 £'000	2014 £'000
Scheme liabilities at start of period	17,016	14,396
Current service cost	0	173
Interest cost	597	660
Contributions by scheme participants	0	63
Actuarial losses	(846)	2,112
Benefits paid and expenses	(413)	(388)
	<u>16,354</u>	<u>17,016</u>

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

	2015 £'000	2014 £'000
Fair value of scheme assets at period start	16,067	13,604
Expected return on scheme assets	563	688
Actuarial gains	(720)	1,149
Contributions by employer	13	951
Contributions by scheme participants	5	63
Benefits paid and expenses	(413)	(388)
	<u>15,515</u>	<u>16,067</u>

The actual return on the scheme assets over the period ending 31 December 2015 was (£157,000) (2014 – £1,837,000).

Contributions

The total contributions made by the employer over the period of £NIL (2014 – £1,080,000) includes 0% (2014 – 22.8%) 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 2015 is £0 (2014 – £0).

Notes to the financial statements

For the year ended 31 December 2015

24 Pension costs (continued)

Total expense recognised in net incoming/(outgoing) resources

	Period ending 31 December 2015 £'000	Period ending 31 December 2014 £'000
Current service cost	-	173
Interest on obligations	34	20
Expected return on plan assets	-	-
	<u>34</u>	<u>193</u>
Difference between expected and actual return on scheme assets Amount: (gain)	(720)	(1,197)
Experience gains and losses arising on the scheme liabilities Amount: loss	846	2,112
	<u>126</u>	<u>915</u>
Amount: loss/(gain)		

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since

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

	31 December 2015	31 December 2014
Equities & Diversified Growth Funds	56.9%	37.8%
Corporate Bonds	31.4%	30.3%
UK Fixed Gilts	-	29.0%
Cash & other	2.4%	2.7%
Annuities	0.1%	0.2%
Liability Driven Investments	9.2%	0.0%
Total assets	<u>100.0%</u>	<u>100.0%</u>

Notes to the financial statements

For the year ended 31 December 2015

24 Pension costs (continued)

Assumptions

	31 December 2015 £'000	31 December 2014 £'000	31 December 2013 £'000	31 December 2012 £'000	31 December 2011 £'000	31 December 2010 £'000
Inflation	3	3	3.4	2.9	2.9	3.4
Salary increases	3	3.0	3.0	2.9	2.9	-
Rate of discount	3.8	3.6	4.6	4.6	4.8	5.4
Allowance for pension in payment increases of RPI or 5% p.a. if less	2.9	2.9	3.3	2.9	2.9	3.4
Allowance for revaluation of deferred pensions of RPI or 5% p.a. if less	2.4	2.4	2.6	2.9	2.9	3.4

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

Male retiring at age 60 in 2009	26.7 years
Female retiring at age 60 in 2009	29.3 years
Male retiring at age 60 in 2029	28.6 years
Female retiring at age 60 in 2029	31.2 years

Expected long term rates of return

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

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

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

Amounts for the current and previous four periods

	2015 £'000	2014 £'000
Fair value of assets	15,515	16,067
Present value of scheme liabilities	16,354	17,016
Surplus/(deficit) in scheme	(839)	(949)
Experience adjustment on scheme assets	(720)	1,371
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	846	(2,452)
Total	126	(1,081)

Royal College of Obstetricians and Gynaecologists

Notes to the financial statements

For the year ended 31 December 2015

25 Prior year adjustment

	Unrestricted 31 December 2014	Restricted 31 December 2014	Total
	£	£	£
Reserves position			
Funds previously reported	18,521,867	9,375,443	27,897,310
Adjustment to pension reserves for change in valuation	151,000	-	151,000
Reclassification of NCC-WCH	(428,858)	428,858	-
Funds restated on transition	<u>18,244,009</u>	<u>9,804,301</u>	<u>28,048,310</u>
	Unrestricted 31 December 2014	Restricted 31 December 2014	Total
	£	£	£
Impact on income and expenditure			
Net income / (expenditure) as previously reported	(508,942)	331,092	(177,850)
Adjustment to pension reserves for change in valuation	151,000	-	151,000
Net income / (expenditure) as restated	<u>(357,942)</u>	<u>331,092</u>	<u>(26,850)</u>

The prior year adjustment relates to the restatement of the pension deficit. In previous years, the full deficit of the scheme had been included within the College's balance sheet as the value of the College's holding could not be accurately determined. Under FRS 102 the College's share of the deficit has been determined for 2015 and 2014 and therefore prior year transactions and balances have been restated accordingly.

The nature of funding for NCC -WCH has been reviewed and as a result was reclassified as a restricted fund at the end of 2014.