

Financial report

The income of the College amounted to £5.9 million, with expenditure of £6.6 million, and a resultant deficit of £662k. Trustee Board had planned for and agreed a deficit budget for the financial year as the College was investing in the establishment of the new commercial conferencing activity for the College. The actual deficit was, however, greater than envisaged.

The principal reason for this is the impact of Covid-19, which has severely affected the operations of the College. On the 24th March the building was closed following general government advice, and all staff have been working remotely since that date. The closure has meant that Events @ No 6, the arm of the College that manages the letting of rooms and provision of catering to external clients, has been temporarily unable to operate. Twelve staff from both the commercial arm and general College departments have been furloughed under the Coronavirus Job Retention Scheme.

Income from the College's commercial operations amounted to £852k, including £48k from RCPATH Consulting. The Events @ No 6 conference centre, which opened in January 2019, was having a good year financially up to the point that the centre had to close in March.

Postgraduate education and examinations income amounted to £895k compared to £1.57 million for the prior year. The College was unable to run the Spring 2020 examinations sitting and has therefore had to defer £900k of examination fees until the autumn. As the spring sitting did not take place, there were no successful candidates in a part 2 examination that would have otherwise been eligible for membership of the College, with consequential loss in some membership subscription income.

The College has been holding virtual committee meetings rather than face to face meetings, so there are savings on travel and related costs and the provision of refreshments at meetings. Savings in building related costs (including cleaning, energy consumption, building maintenance) have been identified as a result of closing the building.

To facilitate the construction of the premises at Alie Street the College took out a loan of £12 million to fund the project. This development loan migrated into a standard commercial mortgage in March 2020. In order to obtain the best mortgage terms, the College paid off £2.5 million of capital from its reserves, and together with repayments that have taken place during the year leaves a balance of £9.43 million at 30th June.

No twelve-month period combines such disparate backdrops for investments. The second half of 2019 was a positive time for global economies and markets. However, in mid-February 2020, Covid-19 hit and equities and other risk markets fell in a straight line for one month. Sterling investors were somewhat protected as the pound fell quite sharply, but there was no hiding place other than government bonds and gold. At the end of March, the US Federal Reserve not only cut rates to close to 0%, but expanded its balance sheet and the ways to use it beyond anybody's imagination, causing a strong recovery in risk markets, largely driven by Technology and Healthcare stocks, amid ultra-low rates and almost-universal economic lockdown.

Against this backdrop, the portfolio saw a good return in the 2019 calendar year of +19.42% and in the year to 30 June 2020, +3.67%. Over 3 and 5 years, the investments have returned +21.73% and +46.14% respectively.

The accounts published overleaf are not the statutory accounts, but a summary of information relating to both the statement of financial activities and the balance sheet. The full financial statements have been audited and contain an unqualified audit report. They were approved by the Trustee Board on 6 August 2020 and have been submitted to the Charity Commission. Any member may request a copy of the full accounts by writing to the Chief Executive.

Dr Andy Boon
Treasurer

Mr Daniel Ross
Chief Executive

Independent Auditor's Statement to the Trustees of The Royal College of Pathologists.

The full financial statements were audited by Begbies, Chartered Accountants, and approved by the Trustee Board on 6th August 2020 and signed on their behalf by Professor Jo Martin and Dr Andy Boon.

Begbies
Chartered Accountants and Registered Auditors
9 Bonhill Street, London EC2A 4DJ
6 August 2020

The Royal College of Pathologists
Consolidated Statement of Financial Activities for the year ended 30 June 2020

	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Total Funds 30 June 2020 £	Total Funds 30 June 2019 £
Income from:					
Donations & legacies	3,892	-	-	3,892	13,905
Charitable activities					
Subscriptions	3,622,145	-	-	3,622,145	3,387,800
Postgraduate education & examinations	831,274	-	63,500	894,774	1,566,741
Digital education project	-	-	100,127	100,127	410,000
International development	50,337	-	58,450	108,787	73,706
Conferences & academic activities	100,112	-	87,838	187,950	178,167
Professional standards	59,788	-	-	59,788	64,054
Communications & public engagement	-	-	5,000	5,000	4,456
Trading activities	743,280	-	-	743,280	196,411
Investments	139,066	-	8,553	147,619	179,073
Other	79,751	-	-	79,751	16,376
Total income	5,629,645	-	323,468	5,953,113	6,090,689
Expenditure on:					
Raising funds					
Trading activities	1,396,959	11,806	-	1,408,765	508,230
Investment management fees	14,472	-	-	14,472	28,826
Charitable activities					
Postgraduate education & examinations	1,661,517	-	10,986	1,672,503	1,914,853
Digital education project	-	-	26,153	26,153	-
International development	419,748	-	1,079	420,827	461,587
Conferences & academic activities	364,815	-	20,636	385,451	282,860
Research	-	-	3,884	3,884	2,006
Professional standards	330,716	-	1,656	332,372	326,857
Clinical effectiveness	291,658	8,039	-	299,697	309,418
Workforce	337,097	-	-	337,097	334,125
Communications & public engagement	1,232,585	-	3,331	1,235,916	1,401,175
Advisory committees	478,274	-	-	478,274	720,515
Total expenditure	6,527,841	19,845	67,725	6,615,411	6,290,452
Net income / (expenditure) before net gains on investments	(898,196)	(19,845)	255,743	(662,298)	(199,763)
Net gains on investments	94,274	-	56,201	150,475	337,611
Net income / (expenditure)	(803,922)	(19,845)	311,944	(511,823)	137,848
Transfers between funds	466,447	(419,951)	(46,496)	-	-
Net movement in funds	(337,475)	(439,796)	265,448	(511,823)	137,848
Reconciliation of funds:					
Total funds brought forward	6,761,512	29,303,960	1,099,018	37,164,490	37,026,642
Total funds carried forward	6,424,037	28,864,164	1,364,466	36,652,667	37,164,490

**The Royal College of Pathologists
Consolidated Balance Sheet as at 30 June 2020**

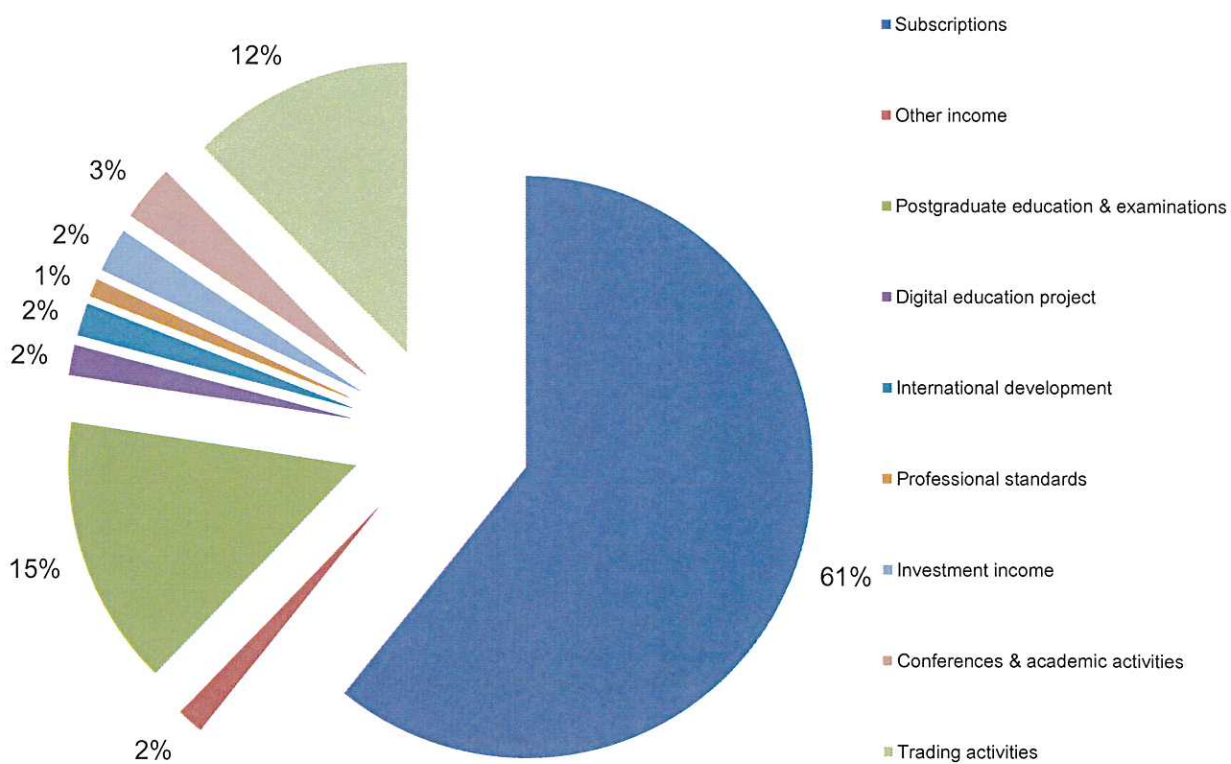
	2020 £	2019 £
Fixed Assets:		
Tangible assets	39,036,481	40,596,456
Investments	5,281,517	5,164,735
Total fixed assets	44,317,998	45,761,191
Current assets:		
Stocks	11,231	13,733
Debtors	564,210	684,276
Cash at bank and in hand	5,202,564	6,517,396
Total current assets	5,778,005	7,215,405
Liabilities:		
Creditors: Amounts falling due within one year	(4,332,997)	(4,346,380)
Net current assets	1,445,008	2,869,025
Total assets less current liabilities	45,763,006	48,630,216
Creditors: Amounts falling due after more than one year	(9,110,339)	(11,465,726)
Total net assets	36,652,667	37,164,490
The funds of the College:		
Unrestricted funds - general funds	6,424,037	6,761,512
Unrestricted funds - designated funds	28,864,164	29,303,960
Restricted funds	1,364,466	1,099,018
Total College funds	36,652,667	37,164,490

The financial statements were approved by the Trustee Board on 6th August 2020 and signed on behalf of the Trustee Board by

Professor Jo Martin
President

Dr Andy Boon
Treasurer

The Royal College of Pathologists Income 2019-20



The Royal College of Pathologists Expenditure 2019-20

