
THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

THE ROYAL COLLEGE OF RADIOLOGISTS

CONTENTS

	Page
Reference and administrative details of the College, its Trustees and advisers	1
Trustees' report	2 - 10
Independent auditor's report on the financial statements	11 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 40

THE ROYAL COLLEGE OF RADIOLOGISTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COLLEGE, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 DECEMBER 2019

Officers	Dr J Dickson+, President Dr N H Strickland*, President Dr A M Beale, Treasurer Dr C M E Rubin, Dean, Clinical Radiology Dr J Dickson*, Dean, Clinical Oncology Dr H Tharmalingam+, Dean, Clinical Oncology Dr W H Ramsden*, Warden, Clinical Radiology Dr S P Harden+, Warden, Clinical Radiology Dr F A P Yuille, Warden, Clinical Oncology Prof M Callaway, Registrar, Clinical Radiology Dr T W Roques, Registrar, Clinical Oncology *to 31 August 2019 +from 01 September 2019
Charity number	211540
Registered office and address	63 Lincoln's Inn Fields London WC2A 3JW
Key management roles	O Reichardt, Chief Executive (from 4 May 2020) A.A. Hall, Chief Executive (to 1 May 2020) J.R. Booth, Executive Director, Education and Deputy Chief Executive D.A. Botha, Executive Director, Business and Resources T.E. Vanburen, Executive Director, Professional Practice
Independent auditor	Crowe U.K. LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Bankers	National Westminster Bank PO Box 2021 10 Marylebone High Street London W1A 1FH
Solicitors	Shoosmiths Witan Gate House 500-600 Witan Gate West Milton Keynes MK9 1SH
Investment managers	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU

THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and the audited financial statements for the year ended 31 December 2019. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Royal Charter and By-Laws of the RCR and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Structure, governance and management

The trustees of the RCR are the Officers (President, Treasurer, Deans, Wardens and Registrars), all of whom are elected except the Treasurer who is appointed; five elected members who are clinical oncologists and five elected members who are clinical radiologists, all being Fellows of the RCR. Eligibility requirements and electoral arrangements for all elected positions are set out in the By-Laws and Regulations. The trustees together with co-opted members make up Council which is the governing body of the RCR.

Council is responsible for the governance of the RCR consistent with the objects defined in the Royal Charter. Council may seek or be offered advice as it sees fit. Council sets the strategy for the RCR and delegates the decisions on and implementation of specialty-specific policy to the appropriate Faculty. Each Faculty, charged under the constitution with developing its specialty, is led by a team of Officers, headed by the Dean. They are responsible to Council for managing the affairs of their Faculty through the boards and committees.

The annual induction of trustees comprises an interactive training session at the initial Council meeting. This is supported by the provision of appropriate documents including: the Charity Commission's The Essential Trustee: what you need to know (CC3); a resume of the position tailored to the needs of the RCR; a copy of the RCR Charter, By-laws and Regulations; the most recent Annual Review; information on RCR structures; the travel and expenses policy; the RCR Strategic Priorities; and the Compact.

Council members are required to complete or update their entry in a mandatory Register of Interests.

In addition, the Officers have a tailored induction programme at or just before at the start of the College year.

There are four co-opted members of Council who are not Trustees: two lay members appointed following advertisement and an interview process and serving on Council and on each Faculty Board for a term of three years; and two co-opted members, the chairs for the time being of the RCR's Junior Radiologists' Forum and Oncology Registrars' Forum.

Each Faculty is led by a Faculty Board to which reports a Specialty Training Board and a Professional Support and Standards Board, and various other committees and working groups. The staff of the RCR, headed by the Chief Executive, support, advise and report to Officers, Council, the boards and committees.

Senior leadership teams comprising the Officers of each Faculty and senior staff provide operational leadership of the RCR. These three teams are focused on clinical oncology activities, clinical radiology activities and RCR-wide activities.

The Finance and Investment Committee (FAIC) is responsible on behalf of Council for ensuring that resource and business planning and delivery for the RCR supports and enables achievement of the RCR Strategic Priorities. In 2019, Council agreed that FAIC should develop its role in monitoring operational and financial performance on its behalf under enhanced arrangements for oversight, scrutiny and challenge. In 2019, the Committee's membership was strengthened by the addition of two lay members with expertise in business planning, risk management and performance.

THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Objects and activities

The objects of the RCR are to advance the science and practice of clinical radiology and clinical oncology, as stated in its Royal Charter. Clinical oncologists are medical specialists skilled in cancer treatment with radiotherapy, chemotherapy, and other systemic therapies. Clinical radiologists are medical specialists who inform the detection, diagnosis, and management of disease through use of imaging techniques. Radiologists also use minimally invasive methods to treat disease.

The RCR has over 11,000 members and Fellows worldwide in the disciplines of clinical oncology and clinical radiology. The very great majority are registered medical or dental practitioners. About one quarter of the total membership is based outside the UK.

Council's focus on delivering public benefit is through the work the RCR in and for the specialties of clinical radiology and clinical oncology in the interest of and for the benefit of patients and the wider public. This includes:

- Setting standards for training
- Conducting the RCR Fellowship examinations
- Offering lectureships and awarding prizes, scholarships and research fellowships
- Diffusing information on matters affecting the specialties
- Publishing papers, journals and other documents
- Holding meetings, conferences, seminars and courses
- Publishing professional guidance and advice
- Operating a continuing professional development scheme
- Acting as an authoritative body for the purpose of consultation in matters of public and professional interest
- Furthering public education and information about the two specialties
- Managing RCR investments effectively

Most RCR publications are available free of charge on its website. The RCR delivers two free public lectures per year, which are live-streamed and available subsequently to view online free of charge. As a charity, the RCR is independent of the state and not part of the National Health Service in any of the four UK nations.

Achievements and performance

The activities of the RCR for the first six months of the 2019 financial year were documented in the 2018-19 Annual Review published in July 2019.

The RCR's Strategy 2017-20 set out five major themes and the brief narrative below each bullet point summarises progress to date. These themes were supported by Annual Plans agreed for each Faculty.

- 1. Increasing and supporting the workforce in clinical radiology and clinical oncology for the benefit of patients**
 - Strongly continuing to lobby to increase the numbers in training. There is continuous dialogue with workforce planning bodies of the four UK nations. This has resulted in modest increases in training numbers – more than some other specialties – although limitations caused by Government policy on healthcare and on public funding have not led to the necessary increases in training numbers.
 - Exploring alternative funding and support for postgraduate training programmes. The RCR has developed credentials for breast imaging and stroke thrombectomy to help deliver more resilient services for patients. These have been supported by the workforce planning bodies and the regulator, the General Medical Council.
- 2. Ensuring the continuing quality of training and practice in both specialties and improving service delivery**

THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

- Ensuring national bodies are aware of the dangers to patient care and treatment targets of failing to maintain quality. The RCR's public and media profile has continued to grow drawing attention to the concerns about the quality or availability of care in both specialties. This has frequently centred on the NHS workforce crisis.
 - Conducting a thorough review of the training curricula for both specialties. These reviews were completed during 2019 for clinical radiology and will be completed in 2020 for clinical oncology.
 - Improving access to FRCR examinations for overseas candidates. Programmes of reform and more effective delivery of the examinations in both specialties are continuing. Extra sittings are planned or have already been effected.
 - Focusing professional guidance on where we can make a difference: maintaining and improving the quality of practice. A continuous critical review of the value of guidance is now in place with improved processes for targeting guidance on appropriate stakeholders and consultation when guidance is in draft. The RCR increasingly works with other bodies to produce multi-professional guidance.
- 3. Increasing awareness of the value of the specialties for the benefit of patients**
- A new area of the RCR website was launched in 2019. The "Discover and explore" resources are firmly aimed at the public and patients. The area will be developed further in 2020 and beyond.
 - The RCR is fortunate to benefit from the skills and dedication of a small number of lay members who serve on its boards and committees. During 2020, the role of non-doctors in the RCR will be reviewed.
- 4. Improving the value of College membership through life-long professional learning and engagement for the benefit of patients**
- RCR Learning digital resources are increasingly accessed by the membership. The functionality of the technology platform will be improved in 2020
 - Providing a high-quality and sustainable annual, major, educational event. The annual conference continues to provide very high-quality educational content and its financial performance has improved in 2019
 - Delivering targeted, meaningful value to all Fellows and members at all stages in their careers. With efforts focused on business and service improvement in 2019, the action plan arising from the 2018 Membership Engagement Survey has not been delivered on in full. This is now translating into a fundamental review of membership value career-long in 2020 and beyond
 - Attracting and retaining younger Fellows and members to work with the RCR. For a further year, the number and range of candidates who stood for election or appointment or serve on RCR boards and committees has been at a higher level with growing evidence of an improved demographic representation
- 5. Developing research and technologies for our two specialties**
- Supporting research in our specialties to help shape future diagnosis and treatment techniques and to grow academic standing of the specialties
 - Progress was made in 2019 on reviewing the restricted funds of the RCR which due to their tight definition has constrained the application of these valuable funds to effective research activity. This is expected to culminate in a revised scheme being proposed to the Charity Commission in 2020 which, if approved, would enable better use of the funds for the benefit ultimately of patients
 - Working with industry to ensure that our specialties benefit from the best new technology to benefit patients and that this technology is rapidly adopted in clinical practice
 - Artificial intelligence (AI) has the potential to have a positive impact on the two specialties. It is a fast-moving arena and the RCR will redefine the role it can take in the safety, efficacy and application of AI technologies to imaging and cancer treatment practice.

The fitness for purpose of the RCR's powers and duties and its structures were central to a review of its governance commissioned by Council in 2018. The review identified recommendations in 2019 which were supported in part by Council. Council paused the review in November 2019, in light of reflecting on its own operations and external views, to take forward interim governance improvements which will continue into 2020. These were shared with the Charity Commission who were satisfied with ongoing work to implement improvements to governance arrangements. It is anticipated that the governance review itself will be restarted and shaped later in 2020.

THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

During 2019, Council decided to replace the RCR Strategy 2017–20 with five Strategic Priorities:

Workforce

Support excellent, safe patient care by working collaboratively on team-wide standards across imaging and oncology. Define our doctors' professional needs for the future and shape sustainable workforce models for our patients and our specialties to realise them.

Be the experts

Highlight to the public and stakeholders the contribution our specialties make to safe, evidence-based and cost-effective patient care. Contribute meaningfully to the debate on the future of healthcare both in the UK and overseas.

Professional learning

Develop our educational offer to support our doctors to meet the challenges of practice, working with others where appropriate, sharing ideas where possible. Adopt new educational models rapidly to ensure continuing equity of access to high-quality products.

Membership value

Support all members and Fellows to deliver the best care for patients, for their entire career regardless of where or how they practice.

Our College

Shape a College that is demonstrably agile and responsive, accountable and open, supporting our specialties and the patients we treat.

The Priorities were approved by Council at the end of 2019 and therefore the RCR's boards and committees are aligning their work programmes with them. The report above indicates where extant programmes of work are being directed in 2020 and beyond to support the Priorities. Ways to report on progress are being developed. The achievement of most of the RCR's outward facing aims is not within the remit or gift of the College. Council will address this in developing a strengthened process of oversight scrutiny and challenge in 2020.

Dr J Dickson
President

THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Financial Report

Risk management

Council has commissioned the development of an improved process for identifying and managing risk which will be introduced during 2020. Operational risk identification and management rests day-to-day with the Senior Management Team. Finance and Investment Committee provide oversight of this and assurance to Council. Council will focus on high level or recurrent risks, risks identified by horizon scanning and periodically undertake a more in-depth review. The continuing most substantial risks for the RCR relate ultimately to loss of reputation and/or loss of income arising from different causes. Those two risks can be interdependent. The trustees have noted the main contributions to these risks as:

1. The impact of resurgence of COVID-19 on the operations of the College and on the UK doctors through whom the College work is undertaken leading to further financial disruption, compromising delivery of strategic priorities and reputational standing in dealing with the challenges thrown up by the crisis.
2. The effect of a poor post-transition Brexit deal that leads to reputational damage to the UK increased workforce issues within the NHS and so indirectly significant reputational damage for the College.
3. A reduction in membership subscriptions arising from a reduction in the UK workforce or of credibility of a UK brand overseas.

Managing and mitigating risk is a key focus of the Senior Management Team, the Finance and Investment Committee and Council and there are programmes focused on income diversification, business process improvement and the application of new technology to address the risks overseen by these groups.

Going concern

The College is funded by a combination of membership income received in one year and carried forward and income earned in the year from activities. Cash received is held on deposit until needed. Cash levels are usually lowest in April. The trustees assess and monitor the working capital requirements through annual planning, quarterly forecasting, regular reporting and enforcement of policies. Management will produce annual budgets and periodic forecasts for the year and regular management accounts which are scrutinised by the Finance and Investment Committee (FAIC) before being presented to Council. Cashflow forecasting is prepared alongside the management accounts according to the agreed treasury and cash management policy. The financial outlook beyond the immediate financial year is reviewed by FAIC annually before considering the budget for the next year.

The trustees have considered the key financial risks that affect short and long-term liquidity to be:

- In the short term, interruptions to delivery of examinations and professional learning events in year which may materially reduce cash levels in-year; and,
- Financial security of large individual customers.
- In the long term, a fall in membership subscriptions that the College is unable to recover.

Impact of COVID-19

The Colleges operations and financial situation have been adversely impacted in 2020 with some activities cancelled or postponed. The College cancelled all examinations and profession learning events for 5 months in the first half of 2020 and suspended its use of the office requiring staff to work from home. 11 staff were furloughed for up to two months under the government's Job Retention Scheme. 4 staff continue on furlough at the date of signing.

Although we expect some of the disruption and uncertainty to continue, the College has since reorganised the examinations and professional learning activities moving a greater proportion of exams online and providing professional learning webinars in place of face to face events for autumn 2020. We plan to embed some of these changes into normal operations for 2021 onwards, which will provide significantly more resilience against similar future disruptions.

We expect to make an operating loss of £1m in 2020 which will be absorbed within reserves cover. At the date of approval, the unrealised loss on investments was £0.6m including a permanent reduction of £0.5m from

THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

investments converted to cash to support working capital in the first half year.

Confidence in Going Concern

The Trustees have reviewed the financial position at the time of approval, the financial forecasts for 18-24 months ahead of the date of approval including scenarios arising from ongoing COVID 19 disruption, the levels of investment reserves and cash and the systems of financial control and risk management and formed the view that they are well placed to manage operational and financial risks successfully.

Accordingly, the Trustees consider the RCR to have adequate resources to continue in operational existence for the foreseeable future and agree that the accounts should be prepared on the basis that the College is a going concern.

Employee remuneration policy

The College carries out regular employee salary reviews to ensure remuneration meets the appropriate level within the market. The College operates a pay progression structure that links pay progression to the achievement of objectives, learning and development expectations and core competencies. The Remuneration Committee exercises responsibility on behalf of Council for the review of the remuneration of Key Management Personnel and any remuneration of Fellows.

Investment policy

The College has approved an ethical investment policy that shows a commitment to sustainable investment strategy consistent with the Paris Climate Accord goals of limiting the average global temperature rise by 2050 to 1.5 °C and also excludes companies whose principal purpose is in tobacco, armaments, alcohol, gambling, pornography, extraction and production of thermal coal and tar sands.

The College chose an investment fund, Sarasin Climate Active Endowment fund that takes a strong stance on ethical and social stewardship matters. As well as ethical screening, the fund positively screens companies that demonstrate commitment to the Paris Climate Accord goals. The trustees are content that this positive screening approach is an effective way of demonstrating the RCR's support for climate change initiatives. In 2019, RCR withdrew all investments in companies that undertook fossil fuel extraction.

Within the ethical parameters, the objectives of the investment policy are to maximise total returns via growth in capital and income to enable the College to carry out its purposes consistently year by year with due and proper consideration for future needs. The College expects the invested funds to match or exceed the portfolio benchmark return and has a moderate risk appetite. In 2019 the portfolio provided a 1-year return of 20.2% against the fund objective of 5.5%. Returns over 7 years were 9.0% against the objective of 5.7%.

Grant making policy

The College invites applications for its grant schemes annually and makes awards based on scientific merit. Grants are awarded annually to foster research into medical imaging (clinical radiology), and to foster research into the investigation and treatment of cancer (clinical oncology). In 2019, grants of £90k were awarded (2018: £103k).

The College administers funds to support radiology and oncology training initiatives. We plan that the fund levels are maintained by a pro rata share of investment returns. These funds are part of the restricted funds held and were valued at £3.4m (2018: £2.8m). £55k of awards were made in 2019 (2018: £103k). Other restricted funds totalled £368k (2018: £356k).

Reserves policy

The RCR has a policy to have general reserves to fund five months of operating expenses to cover the eventuality

THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

of a significant reduction in income levels. This policy was reviewed by the Finance and Investment Committee in 2019 and agreed by Council. Council is satisfied that the level of reserves cover provided, £3.1m, is sufficient to meet the needs expressed by the policy. In addition to the Reserves policy, the College holds a separate Building Maintenance fund to cover uninsured repair costs for the building at 63 Lincolns Inn Fields.

Council have considered the level of reserves cover against a range of projected financial scenarios. Council notes that £1m of the £3m reserves cover will be used in 2020 to support business activities and that there will likely be further use over the term through to 2022, but that that level of provision is sufficient for the medium term.

Council will review the level of reserves cover when Council reviews the 2021 financial plans and will consider the advice from the Finance and Investment Committee which is charged with monitoring this policy.

Financial review

The results for the year are set out in the statements on pages 14 to 16.

The RCR total reserves increased £7.4m to £30.5m (2018 £22.8m) made up of unrestricted funds of £26.6m (2018: £19.6m) and restricted funds and endowments of £3.9m (2018: £3.2m).

The charities financial results are dominated by the significant growth in the investment portfolio in 2019 up £1.9m to £10.7m (2018: £8.8m) and the accounting change from separation of the 63 Lincolns Inn Fields building asset from the land it sits on. The latter gave an increase in asset value of £6.3m net of depreciation of £137k, the building being amortised over 50 years. These changes are both unrealised gains and did not translate into tangible cash gains. The College also wrote down the value of the investment properties by £403k in line with its revaluation policy generating an unrealised loss.

Income grew £733k to £8.3m (2018: £7.5m) from an increase in examination candidates, a small increase in membership numbers and recognition of royalties received. Expenditure increased £0.9m to £8.3m (2018: £7.3m) from the unrealised loss on the investment property, the costs of servicing the increased numbers of exam candidates and the new depreciation charge for the building asset.

During 2019 the RCR introduced changes to its financial management arrangements which will benefit the RCR from 2020. We introduced new financial planning arrangements to ensure our financial resources could be flexibly aligned with strategic priorities and to provide FAIC and Council with these insights. Changes to our reporting are being introduced during 2020 to support these new arrangements including long term financial plans and programmes that reduce the reliance on income from members and examinations.

The RCR had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

Responsibilities of the trustees

The trustees are responsible for preparing the report of the trustees 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 affairs of the College and of the incoming resources and application of resources of the RCR for that period. In preparing these financial statements, the 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

THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the RCR will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RCR and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities SORP (FRS 102) and the provisions of the Royal Charter and By-Laws. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. They are also responsible for safeguarding the assets of the RCR and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the RCR and financial information included on the RCR's website.

The trustees

Members of the Council who served as charity trustees during the year and up to the date of this report were as follows:

Ex-officio members of Council

From 1 Jan 2019 to 31 August 2019

Dr N H Strickland	President
Dr A M Beale	Treasurer
Dr C M E Rubin	Dean, Clinical Radiology
Dr J Dickson	Dean, Clinical Oncology
Dr W H Ramsden	Warden, Clinical Radiology
Dr F A P Yuille	Warden, Clinical Oncology
Prof M P Callaway	Registrar, Clinical Radiology
Dr T Roques	Registrar, Clinical Oncology

From 1 September 2019 to 31 December 2019

Dr J Dickson	
Dr A M Beale	
Dr C M E Rubin	Dean, Clinical Radiology
Dr H Tharmalingam	Dean, Clinical Oncology
Dr S P Harden	Warden, Clinical Radiology
Dr F A P Yuille	Warden, Clinical Oncology
Prof M P Callaway	Registrar, Clinical Radiology
Dr T Roques	Registrar, Clinical Oncology

Elected Members of Council

From 1 Jan 2019 to 31 August 2019

Dr D Gilligan	Dr I D Pedley
Dr J Elford	Professor P J Hoskin
Dr S R Vydianath	Dr P Kirkbride
Dr J M Young	Dr J E M Cox
Dr S P D'Souza	Dr P Niblock

From 1 September 2019 to 31 December 2019

Dr A K Bahl	Dr J A Holemans
Dr M J Rolles	Dr N J Sreaton
Dr J H Miller	Dr C A Coyle
Dr P Kirkbride	Dr J E M Cox
Dr S P D'Souza	Dr J Q Gildersleve

Co-opted members of Council (who do not hold trustee status)

From 1 Jan 2019 to 31 August 2019

Mr G Podger	Lay member
Ms S-A Spencer Grey	Lay member
Dr N Spence	Junior Radiologists' Forum representative
Dr J D Chambers	Oncology Registrars' Forum representative

From 1 September 2019 to 31 December 2019

Ms J Ord	Lay member
Ms S-A Spencer Grey	Lay member
Dr N Spence	Junior Radiologists' Forum representative
Dr K Crawford	Oncology Registrars' Forum representative

The trustees and other Council members have no beneficial interest in the RCR.

Auditors

Crowe U.K. LLP were reappointed as the charity's auditors during the year and have expressed their willingness to continue in that capacity.

THE ROYAL COLLEGE OF RADIOLOGISTS

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

The report of the trustees has been approved by the trustees on 3 July 2020 and signed on their behalf by:



Dr J Dickson
President



Dr A Beale
Treasurer

THE ROYAL COLLEGE OF RADIOLOGISTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL COLLEGE OF RADIOLOGISTS

Opinion

We have audited the financial statements of The Royal College of Radiologists (the 'college') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE ROYAL COLLEGE OF RADIOLOGISTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL COLLEGE OF RADIOLOGISTS (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE ROYAL COLLEGE OF RADIOLOGISTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ROYAL COLLEGE OF RADIOLOGISTS (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date: **12 August 2020**

THE ROYAL COLLEGE OF RADIOLOGISTS

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Endowment funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income and endowments from:						
Donations and legacies	4	-	4,000	-	4,000	8,705
Charitable activities	5	-	140,000	7,549,320	7,689,320	6,972,879
Investments	6	-	81,656	441,979	523,635	509,286
Other income	7	-	-	52,962	52,962	45,507
Total income and endowments		<u>-</u>	<u>225,656</u>	<u>8,044,261</u>	<u>8,269,917</u>	<u>7,536,377</u>
Expenditure on:						
Charitable activities	8	-	158,031	8,188,710	8,346,741	7,271,584
Total expenditure		<u>-</u>	<u>158,031</u>	<u>8,188,710</u>	<u>8,346,741</u>	<u>7,271,584</u>
Gains/(losses) on revaluation of fixed assets		-	-	6,450,000	6,450,000	-
Gains/(losses) on investments		-	500,095	815,964	1,316,059	(1,106,644)
Transfers			75,000	(75,000)		
Net movement in funds		<u>-</u>	<u>642,720</u>	<u>7,046,515</u>	<u>7,689,235</u>	<u>(841,851)</u>
Reconciliation of funds:						
Total funds brought forward		156,128	3,031,470	19,627,237	22,814,835	23,656,687
Net movement in funds		-	642,720	7,046,515	7,689,235	(841,851)
Total funds carried forward		<u>156,128</u>	<u>3,674,190</u>	<u>26,673,752</u>	<u>30,504,070</u>	<u>22,814,836</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 17 to 40 form part of these financial statements.

**THE ROYAL COLLEGE OF RADIOLOGISTS
REGISTERED NUMBER:**

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	465,402	41,907
Tangible assets	13	15,542,037	9,241,719
Investments	15	10,653,859	8,849,341
Investment property	14	3,400,000	3,636,000
		<u>30,061,298</u>	<u>21,768,967</u>
Current assets			
Debtors	16	482,373	446,987
Cash at bank and in hand		2,539,749	2,959,476
		<u>3,022,122</u>	<u>3,406,463</u>
Creditors: amounts falling due within one year	17	(2,579,350)	(2,360,594)
Net current assets		<u>442,772</u>	<u>1,045,869</u>
Total net assets		<u><u>30,504,070</u></u>	<u><u>22,814,836</u></u>
Charity funds			
Endowment funds	18	156,128	156,128
Restricted funds	18	3,674,190	3,031,470
Unrestricted funds	18	26,673,752	19,627,238
Total funds		<u><u>30,504,070</u></u>	<u><u>22,814,836</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



Dr J Dickson
President

Date: 3 July 2020

The notes on pages 17 to 40 form part of these financial statements.

THE ROYAL COLLEGE OF RADIOLOGISTS

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Net cash used in operating activities	(559,048)	156,798
	<hr/>	<hr/>
Cash flows from investing activities		
Dividends, interests and rents from investments	385,472	488,702
Proceeds from the sale of tangible fixed assets	242,810	(238,516)
Purchase of tangible fixed assets	(150,878)	(13,597)
Purchase of investments	(338,183)	(316,205)
Net cash used in investing activities	139,221	(79,616)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(419,727)	77,182
Cash and cash equivalents at the beginning of the year	2,959,476	2,882,294
Cash and cash equivalents at the end of the year	<u>2,539,749</u>	<u>2,959,476</u>

The notes on pages 17 to 40 form part of these financial statements

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The Royal College of Radiologists is a Public Benefit Entity registered as a charity in England and Wales (charity number: 211540) and a Royal Charter company. Its registered office is 63 Lincoln's Inn Fields, London, WC2A 3JW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

2.2 Going concern

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

"The Trustees have reviewed the financial position and financial forecasts, taking into account the levels of investment reserves and cash, and the systems of financial control and risk management. As a result of this review, the Trustees believe that they are well placed to manage operational and financial risks successfully.

2.3 Income

Income is recognised when the College 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.

Subscriptions are included on a receivable basis. Income is deferred for the proportion of the 2019/20 subscriptions applicable to the College's accounting period to 31 December 2019.

Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities and is recognised on receipt or when entitlement to receipt is probable.

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

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

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Expenditure

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 on charitable activities includes the costs of delivering services to members, examinations, training and other educational activities undertaken to further the purposes of the College and their associated support costs.

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

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.

> Examinations	25.5%
> Specialty training	17.6%
> Professional Learning & Development	15.7%
> Professional practice	33.3%
> Publications	2.0%
> Membership	5.9%

2.5 Intangible assets and amortisation

Intangible assets are stated at cost, less accumulated amortisation. Intangible assets costing more than £500 are capitalised and recognised when future economic benefits are probably and the cost or value of the asset can be measured reliably.

Intangible fixed assets are initially recognised at cost. After recognition, under the cost model, intangible fixed assets are measured at cost less accumulated amortisation. All costs incurred to bring an intangible fixed asset into its intended working condition should be included in the measurement of cost.

The intangible assets capitalised during the year are under construction and not in use, therefore no amortisation has been charged in the period.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

In accordance with FRS102 freehold lands is not being depreciated. Depreciation is charged on freehold buildings over a period of 50 years on a straight line basis. The trustees consider the market

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

value of the properties on an annual basis together with reviewing them for impairment in accordance with FRS102. Freehold land and buildings are initially recognised at cost but are subject to periodic revaluation by the trustees

Freehold property is included at valuation and is revalued on a regular basis.

The estimated useful lives are as follows:

Building infrastructure	- 10 years
Furniture	- 5 years
Computers	- 3 - 5 years

2.7 Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. The valuation method used to determine fair value will be stated in the notes to the financial statements.

2.8 Investments

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

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and 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.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

2.12 Financial instruments

The College 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 amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise bank loans and overdrafts, trade and other creditors.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure. Investments held at fair value at balance sheet date totalled £10.6m (2018: £8.8m).

THE ROYAL COLLEGE OF RADIOLOGISTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.13 Operating leases

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

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.14 Pensions

The College operates a defined contribution pension scheme for employees. The assets of the 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 the scheme other than for the payment of those contributions.

2.15 Fund accounting

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.

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

3. Critical accounting estimates and areas of judgment

Trustees are required to make judgements, estimates, and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

Critical accounting estimates and assumptions:

Valuation of land and buildings and investment properties – The Colleges land, buildings and investment properties are stated at their estimated fair value based on management estimates as disclosed in note 13.

4. Income from donations and legacies

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Donations			
Roentgen Professorship	2,500	2,500	7,205
David Skeggs Lecture	1,500	1,500	1,500
	<u>4,000</u>	<u>4,000</u>	<u>8,705</u>

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

5. Income from charitable activities

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Membership Subscriptions	-	3,880,140	3,880,140
Examination Fees	-	2,046,631	2,046,631
Delegate Fees	-	59,090	59,090
Sponsorship	140,000	679,182	819,182
Royalties & Publications	-	817,622	817,622
Service Fees	-	66,655	66,655
Total 2019	<u>140,000</u>	<u>7,549,320</u>	<u>7,689,320</u>
	<i>Restricted funds 2018 £</i>	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Membership Subscriptions	-	3,679,363	3,679,363
Examination Fees	-	1,826,424	1,826,424
Delegate Fees	109,930	49,936	159,866
Sponsorship	39,000	669,166	708,166
Royalties & Publications	-	561,576	561,576
Service Fees	27,252	10,232	37,484
<i>Total 2018</i>	<u>176,182</u>	<u>6,796,697</u>	<u>6,972,879</u>

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Investment income

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Properties income - Rent	-	131,542	131,542
Investment income - Dividends	81,656	310,437	392,093
Total 2019	<u>81,656</u>	<u>441,979</u>	<u>523,635</u>
	<i>Restricted funds 2018 £</i>	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Properties income - Rent	-	140,121	140,121
Investment income - Dividends	105,282	263,883	369,164
<i>Total 2018</i>	<u>105,282</u>	<u>404,004</u>	<u>509,285</u>

7. Other income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Facilities income	<u>52,962</u>	<u>52,962</u>	<u>45,507</u>

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Analysis of expenditure – current year

	Membership	Exams	Specialty Training	Professional Learning and Development	Publications	Professional Practice	Research grants, awards, medals, lectures and profships	Governance	Support costs	Total 2019
Staff costs	32,248	533,669	440,067	421,134	606	830,257	-	437	1,719,206	3,977,624
Grants payable	-	-	-	-	-	-	280,770	-	-	280,770
Subscriptions and publications	12,697	-	-	-	69,391	31,166	-	-	19,481	132,735
Scientific programme/conference costs	40,983	-	52,802	594,649	-	-	-	20,373	8,429	717,236
Examination costs	-	820,967	-	-	-	-	-	-	-	820,967
Education development	-	-	-	-	-	-	-	-	-	-
Admission of fellows	154,235	-	-	-	-	-	-	-	-	154,235
Premises costs	16,845	72,994	50,534	44,920	5,615	95,454	-	5,615	112,299	404,276
Print/poststationery/communication	100,501	14,111	-	-	-	-	-	-	6,678	121,290
Travel and subsistence	65,549	-	78,517	37,773	6,349	95,000	-	33,940	-	317,128
Catering	-	21,100	-	-	-	-	-	581	14,440	36,121
Computer and office equipment costs	-	19,002	-	-	-	-	-	-	393,254	412,256
Audit fee	-	-	-	-	-	-	-	17,385	-	17,385
Legal and professional	-	-	-	-	-	-	-	48,288	148,870	198,158
Depreciation	8,987	44,874	44,874	26,930	4,478	67,296	-	4,478	98,644	300,561
Project development	-	6,837	-	95,316	-	-	-	-	27,779	129,932
Website development	28,549	-	-	-	-	-	-	-	-	28,549
Bank and investments fees	-	-	-	-	-	-	236	-	297,282	297,518
Total Resources Expended	460,594	1,533,554	666,794	1,220,722	86,439	1,119,173	281,006	132,097	2,846,362	8,346,741
Reallocation of support costs	167,433	725,543	502,299	446,488	55,811	948,317	-	-	(2,845,891)	-
	628,027	2,259,097	1,169,093	1,667,210	142,250	2,067,490	281,006	132,097	471	8,346,741
Reallocation of governance costs	7,770	33,672	23,311	20,721	2,590	43,985	-	-	132,049	-
	635,797	2,292,769	1,192,404	1,687,931	144,840	2,111,475	281,006	48	471	-

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Analysis of expenditure – prior year

	Membership	Exams	Specialty Training	Professional Learning and Development	Publications	Professional Practice	Research grants, medals, awards, lectures and prof'ships	Governance	Support costs	Total 2018
Staff costs	58,718	435,320	480,560	366,462	52,788	741,169	-	59,129	1,413,705	3,607,851
Grants payable	-	-	-	-	-	-	283,214	-	-	283,214
Subscriptions and publications	-	-	-	-	93,876	96,174	-	-	-	190,050
Scientific programme/conference costs	-	-	-	494,111	-	-	-	-	-	494,111
Examination costs	-	513,849	-	-	-	-	-	-	-	513,849
Education development	-	-	159,445	-	-	-	-	-	-	159,445
Admission of fellows	-	-	125,778	-	-	-	-	-	-	125,778
Premises costs	11,276	56,309	56,309	33,793	5,619	84,444	-	5,620	123,782	377,152
Print/post/stationery/communication	-	-	-	26,934	-	-	-	-	238,177	265,111
Travel and subsistence	-	243,315	72,527	33,190	-	-	-	95,659	-	444,691
Catering	-	27,490	1,460	27,683	-	-	-	1,281	823	58,737
Computer and office equipment costs	-	-	-	-	-	-	-	-	259,542	259,542
Audit fee	-	-	-	-	-	-	-	13,496	-	13,496
Legal and professional	-	-	-	-	-	-	-	57,964	-	57,964
Depreciation	4,158	36,083	20,760	12,459	2,072	31,133	-	2,072	45,635	154,372
Project development	-	-	-	-	-	-	-	-	39,632	39,632
Website development	-	-	-	-	-	-	-	-	69,634	69,634
Bank and investments fees	-	-	-	-	-	-	121	-	156,834	156,955
Total Resources Expended	74,152	1,312,366	916,839	994,632	154,355	952,920	283,335	235,221	2,347,764	7,271,584
Reallocation of support costs	106,834	533,700	533,700	320,267	53,300	799,963	-	-	(2,347,764)	-
	180,986	1,846,066	1,450,539	1,314,899	207,655	1,752,883	283,335	235,221	-	7,271,584
Reallocation of governance costs	10,704	53,471	53,471	32,087	5,340	80,148	-	235,221	-	-
	191,690	1,899,537	1,504,010	1,346,986	212,995	1,833,031	283,335	-	-	-

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Auditor's remuneration

	2019 £	2018 £
Fees payable to the College's auditor for the audit of the College's annual accounts	<u>11,950</u>	<u>11,500</u>
Other fees payable to the College's auditor	<u>7,475</u>	

10. Staff costs

	2019 £	2018 £
Wages and salaries	2,936,193	2,726,168
Social security costs	318,173	292,178
Contribution to defined contribution pension schemes	<u>378,619</u>	<u>389,616</u>
	<u>3,632,985</u>	<u>3,407,962</u>

Included within salaries are redundancy payments totalling £27,494 (2018: £nil) and there were no balances outstanding at year end.

The average number of persons employed by the College during the year was as follows:

	2019 No.	2018 No.
Examinations	13	8
Speciality training	9	8
Professional Learning and Development	8	6
Professional Practice	17	14
Publications	1	1
Organisational support	24	23
	<u>72</u>	<u>60</u>

THE ROYAL COLLEGE OF RADIOLOGISTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £60,000 - £69,999	1	<i>1</i>
In the band £70,000 - £79,000	-	<i>1</i>
In the band £80,000 - £89,999	2	<i>1</i>
In the band £90,000 - £99,999	1	<i>1</i>
In the band £120,000 - £129,999	-	<i>1</i>
In the band £130,000 - £139,999	1	<i>-</i>

Employer's pension contributions were paid at a rate of 15%. Total employer's pension contributions for employees earning more than £60,000 was £66,031 (2018: £90,278).

The total employee benefits including pension and employers NI contributions of the key management personnel were £514,263 (2018: £532,107).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL-).

During the year ended 31 December 2019, expenses totalling £88,337 were reimbursed or paid directly to 19 Trustees (2018 - £81,030 to 18 Trustees). Expenses were in connection with travel and accommodation costs.

During the year there were no related party transactions (2018: £nil).

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

12. Intangible assets

	Intangibles under construction £
Cost	
At 1 January 2019	41,907
Additions	423,495
At 31 December 2019	<u>465,402</u>
Net book value	
At 31 December 2019	<u><u>465,402</u></u>
At 31 December 2018	<u><u>41,907</u></u>

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Tangible fixed assets

	Land £	Buildings £	Building Infrastructure £	Furniture £	Computers £	Total £
Cost or valuation						
At 1 January 2019	8,900,000	-	167,373	523,942	1,115,194	10,706,509
Additions	-	-	47,747	1,307	101,824	150,878
Disposals	-	-	(22,386)	-	(368,258)	(390,644)
Revaluations	(400,000)	6,850,000	-	-	-	6,450,000
At 31 December 2019	<u>8,500,000</u>	<u>6,850,000</u>	<u>192,734</u>	<u>525,249</u>	<u>848,760</u>	<u>16,916,743</u>
Depreciation						
At 1 January 2019	-	-	99,672	385,712	979,406	1,464,790
Charge for the year	-	137,000	18,242	37,463	100,801	293,506
On disposals	-	-	(15,670)	-	(367,920)	(383,590)
At 31 December 2019	<u>-</u>	<u>137,000</u>	<u>102,244</u>	<u>423,175</u>	<u>712,287</u>	<u>1,374,706</u>
Net book value						
At 31 December 2019	<u>8,500,000</u>	<u>6,713,000</u>	<u>90,490</u>	<u>102,074</u>	<u>136,473</u>	<u>15,542,037</u>
At 31 December 2018	<u>8,900,000</u>	<u>-</u>	<u>67,701</u>	<u>138,230</u>	<u>135,788</u>	<u>9,241,719</u>

The book value of the freehold property at 63 Lincoln's Inn Fields of £15.4 million, which is based on the revaluation made by way of independent (external) valuation as at 31 December 2018, has been adopted as the deemed 'historical cost'.

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Investment property

	Investment properties £
Valuation	
At 1 January 2019	3,636,000
Revaluation during the year	(236,000)
At 31 December 2019	<u>3,400,000</u>

Independent (external) valuations for each investment property were obtained from registered chartered surveyors in September 2019.

THE ROYAL COLLEGE OF RADIOLOGISTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Fixed asset Investments

Listed investments	2019	2018
	£	£
Cost or valuation		
At 1 January 2019	8,849,341	9,229,609
Additions	338,183	316,205
Revaluations	1,466,335	(696,473)
Fair value at the end of the year	10,653,859	8,849,341
	2019	2018
	£	£
Sarasin Climate Active Endowment fund units	10,399,421	8,847,585
Cash	254,438	1,756
	10,653,859	8,849,341

Investments are lodged with Sarasin Partner's Climate Active fund.

16. Debtors

	2019	2018
	£	£
Member's subscriptions in advance	44,766	145,717
Other debtors	210,184	131,955
Prepayments and accrued income	227,423	169,315
	482,373	446,987

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Subscriptions and fees in advance	1,578,467	1,521,350
Trade creditors	223,991	199,580
Other taxation and social security	140,218	123,126
Accruals and deferred income	636,674	516,538
	<u>2,579,350</u>	<u>2,360,594</u>
	2019 £	2018 £
Deferred income at 1 January 2019	488,652	253,548
Resources deferred during the year	380,247	488,652
Amounts released from previous periods	(688,652)	(253,548)
	<u>180,247</u>	<u>488,652</u>

Deferred income comprises: £95,768 Spring examination income, £84,479 Professional Learning and Development income; this is income received in 2019 for examinations or events occurring in 2020.

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

18. Statement of funds

Statement of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2019 £
Endowment funds						
The Edinburgh EAR Congress Essay Prize	31,152	-	-	-	-	31,152
The Edinburgh EAR Congress Bursary	124,976	-	-	-	-	124,976
	156,128	-	-	-	-	156,128
Restricted funds						
Educational funds	2,675,183	75,294	(54,858)	-	500,095	3,195,714
e-Learning Projects	198,602	140,000	(65,711)	-	-	272,891
CPD Project	26,361	-	-	-	-	26,361
Accreditation Programme	75,291	4,322	(22,489)	75,000	-	132,124
Roentgen Professorship	31,205	-	(1,265)	-	-	29,940
Clinical Fellows	24,858	-	(1,398)	-	-	23,460
Cyclotron	(30)	6,040	(6,040)	-	-	(30)
Breast Clinician Credential	-	-	(6,270)	-	-	(6,270)
	3,031,470	225,656	(158,031)	75,000	500,095	3,674,190
Unrestricted funds						
General Funds	6,990,495	7,969,440	(7,700,083)	1,461,444	804,895	9,526,190
Freehold property	8,900,000	-	(137,000)	-	6,450,000	15,213,000
Major projects fund	500,000	-	(102,152)	-	-	397,848
Building maintenance fund	2,520,373	72,321	-	(2,110,817)	18,123	500,000
Fixed asset fund	341,719	-	(156,506)	150,878	(7,054)	329,037
Clinical Oncology & Radiology R&D fund	332,744	2,500	(92,969)	-	-	242,275
Intangible assets	41,907	-	-	423,495	-	465,402
	19,627,238	8,044,261	(8,188,710)	(75,000)	7,265,964	26,673,752
Total of funds	22,814,836	8,269,917	(8,346,741)	-	7,766,059	30,504,070

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Purpose funds	of	expendable	endowment
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a) The Edinburgh EAR Congress Essay Prize is to allow the College to continue to award two undergraduate prizes in Clinical Oncology each year, comprising an essay prize and a research prize.

b) The Edinburgh EAR Congress Bursary is to allow the College to provide financial support for undergraduate medical students of the Universities in the UK to undertake elective attachments or other educational projects within Clinical Radiology or Clinical Oncology.

Purposes of restricted funds

a) Educational funds -used to support appropriate radiology and oncology training and education initiatives.

b) e-Learning projects - funds held in connection with e-Learning projects.

c) CPD project - funds held in connection with this project.

d) Accreditation project - funds used to help develop the accreditation programme.

e) Roentgen Professorship - funds used to support the Roentgen Professorship.

f) Clinical Fellows - funds held to assist with funding of Clinical Fellows working on behalf of the College

g) Cyclotron - Fund received and paid out from the Cyclotron Trust.

Purposes of designated funds

a) Freehold property - this represents the value relating to 63 Lincoln's Inn Fields, London WC2

b) Fixed asset fund - this is the book value of the unrestricted tangible fixed assets other than property held by the College.

c) Clinical Oncology research & development fund - this fund is used to support appropriate Clinical Oncology research and educational projects.

d) Clinical Radiology research & development fund - this fund is used to support appropriate Clinical Radiology research and educational projects.

e) Building maintenance fund will be used to maintain 63 Lincoln's Inn Fields premises as and when the need arises

f) Major projects fund will be used to invest in Clinical Oncology Planning Project, the development of new exam operations and in new information systems within the organisation.

Transfers between funds

a) £75,000 was transferred from the General Fund to the Accreditation Scheme restricted fund for the 2018 RCR contribution to the scheme. (2018: £50,000)

THE ROYAL COLLEGE OF RADIOLOGISTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

- b) £150,878 was transferred from General Fund to the Fixed Asset fund to represent the addition of assets purchased in the year.
- c) £423,495 represents intangible assets purchased in year.
- d) The balance of the building reserve fund was reduced to £500,000 as part of amending the reserves policy with the excess funds transferred to the general fund.

THE ROYAL COLLEGE OF RADIOLOGISTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Statement of funds - prior year

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2018 £</i>
Endowment funds					
The Edinburgh EAR Congress Essay Prize	35,019	-	(600)	(3,267)	31,152
The Edinburgh EAR Congress Bursary	139,882	-	(1,800)	(13,106)	124,976
	<u>174,901</u>	<u>-</u>	<u>(2,400)</u>	<u>(16,373)</u>	<u>156,128</u>
Restricted funds					
Educational Funds	2,944,580	123,163	(143,822)	(248,738)	2,675,183
e-Learning Projects	124,189	148,929	(74,516)	-	198,602
CPD Project	26,361	-	-	-	26,361
Accreditation Programme	42,206	5,606	(22,521)	50,000	75,291
Roentgen Professorship	25,798	7,205	(1,798)	-	31,205
Clinical Fellows	21,158	4,147	(447)	-	24,858
Cyclotron	-	1,119	(1,149)	-	(30)
	<u>3,184,292</u>	<u>290,169</u>	<u>(244,253)</u>	<u>(198,738)</u>	<u>3,031,470</u>
Unrestricted funds					
Freehold property	8,900,000	-	-	-	8,900,000
Fixed asset fund	299,480	-	(154,370)	196,609	341,719
Intangible assets	-	-	-	41,907	41,907
Clinical Oncology & Radiology R&D fund	385,054	-	(52,310)	-	332,744
Building maintenance fund	2,628,662	123,754	-	(232,043)	2,520,373
Major projects fund	500,000	-	-	-	500,000
	<u>12,713,196</u>	<u>123,754</u>	<u>(206,680)</u>	<u>6,473</u>	<u>12,636,743</u>
General funds	<u>7,584,298</u>	<u>7,122,455</u>	<u>(6,818,252)</u>	<u>(898,006)</u>	<u>6,990,495</u>
Total of funds	<u><u>23,656,687</u></u>	<u><u>7,536,378</u></u>	<u><u>(7,271,585)</u></u>	<u><u>(1,106,644)</u></u>	<u><u>22,814,836</u></u>

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

19. Summary of funds

Summary of funds - current year

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers, Gains/ (Losses) £	Balance at 31 December 2019 £
Designated Funds	12,636,743	74,821	(488,627)	4,924,625	17,147,562
General funds	6,990,495	7,969,439	(7,700,083)	2,266,339	9,526,190
Endowment funds	156,128	-	-	-	156,128
Restricted funds	3,031,470	225,656	(158,031)	575,095	3,674,190
			-	-	
	<u>22,814,836</u>	<u>8,269,916</u>	<u>(8,346,741)</u>	<u>7,766,059</u>	<u>30,504,070</u>

Summary of funds - prior year

	<i>Balance at 1 January 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers, Gains/ (Losses) £</i>	<i>Balance at 31 December 2018 £</i>
Designated funds	12,713,196	123,754	(206,680)	6,473	12,636,743
General funds	7,584,298	7,122,455	(6,818,252)	(898,006)	6,990,495
Endowment funds	174,901	-	(2,400)	(16,373)	156,128
Restricted funds	3,184,292	290,169	(244,253)	(198,738)	3,031,470
	<u>23,656,687</u>	<u>7,536,378</u>	<u>(7,271,585)</u>	<u>(1,106,644)</u>	<u>22,814,836</u>

THE ROYAL COLLEGE OF RADIOLOGISTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Endowment funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	15,542,037	15,542,037
Intangible fixed assets	-	-	465,402	465,402
Fixed asset investments	156,128	3,674,190	6,823,541	10,653,859
Investment property	-	-	3,400,000	3,400,000
Current assets	-	-	3,022,121	3,022,121
Creditors due within one year	-	-	(2,579,350)	(2,579,350)
Total	<u>156,128</u>	<u>3,674,190</u>	<u>26,673,752</u>	<u>30,504,070</u>
	<i>Endowment funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Unrestricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	9,241,719	9,241,719
Intangible fixed assets	-	-	41,907	41,907
Fixed asset investments	156,127	3,005,170	5,688,043	8,849,341
Investment property	-	-	3,636,000	3,636,000
Current assets	-	26,300	3,380,162	3,406,462
Creditors due within one year	-	-	(2,360,594)	(2,360,595)
Total	<u>156,127</u>	<u>3,031,470</u>	<u>19,627,237</u>	<u>22,814,834</u>

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	7,689,235	(841,851)
Adjustments for:		
Depreciation charges	293,506	140,773
(Gains)/losses on investments	(8,346,741)	1,106,644
Dividends, interests and rents from investments	(385,473)	(509,286)
Loss on the sale of fixed assets	7,054	13,597
Increase in debtors	(35,385)	(40,922)
Increase in creditors	218,756	287,843
Net cash provided by operating activities	<u><u>(559,048)</u></u>	<u><u>156,798</u></u>

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	2,539,749	2,959,476
Total cash and cash equivalents	<u><u>2,539,749</u></u>	<u><u>2,959,476</u></u>

THE ROYAL COLLEGE OF RADIOLOGISTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

23. Analysis of Net Debt

	At 1 January 2019 £	Cash flows £	At 31 December 2019 £
Cash at bank and in hand	2,959,476	(419,726)	2,539,750
	<u>2,959,476</u>	<u>(419,726)</u>	<u>2,539,750</u>

24. Pension commitments

The College operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £46,214 (2018 - £43,588) were payable to the fund at the balance sheet date and are included in creditors.

25. Operating lease disclosure – Land and Buildings

The total future minimum lease income under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than 1 year	82,471	74,504
Later than 1 year and not later than 5 years	11,375	6,360
	<u>93,846</u>	<u>80,864</u>

THE ROYAL COLLEGE OF RADIOLOGISTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

26. Detailed comparatives for the Statement of Financial Activities

	Unrestricted £	Expendable endowments* and restricted £	2018 Total £
Income from:			
Donations and legacies	-	8,705	8,705
Charitable activities			
Membership subscriptions	3,679,363	-	3,679,363
Examinations	1,826,424	-	1,826,424
Specialty Training	49,936	109,930	159,866
Professional Learning & Development	678,800	39,000	717,800
Publications	561,577	-	561,577
Professional Practice	597	27,252	27,849
Investments	404,004	105,282	509,286
Other	45,507	-	45,507
Total income	7,246,208	290,169	7,536,377
Expenditure on:			
Charitable activities			
Membership subscriptions	191,690	-	191,690
Examinations	1,899,537	-	1,899,537
Specialty Training	1,493,867	10,143	1,504,010
Professional Learning & Development	1,330,344	16,642	1,346,986
Publications	212,995	-	212,995
Professional Practice	1,613,163	219,868	1,833,031
Research	283,335	-	283,335
Total expenditure	7,024,931	246,653	7,271,584
Net income / (expenditure) before net gains / (losses) on investments	221,277	43,516	264,793
Net gains / (losses) on investments	(830,721)	(275,923)	(1,106,644)
Net income / (expenditure)	(609,444)	(232,407)	(841,851)
Transfers	(60,812)	60,812	-
Net movement in funds	(670,256)	(171,595)	(841,851)
Reconciliation of funds:			
Total funds brought forward	20,297,494	3,359,193	23,656,687
Total funds carried forward	19,627,238	3,187,598	22,814,836

*Expendable Endowments are worth £162,825 (2017: £174,901) and are shown within voluntary income and funds at the end of the year. Further details can be found in note 17.