



# The Academy of Medical Royal Colleges Annual Trustees' report

For the year 1 April 2021 to 31 March 2022

Company Number: 03166361

Charity Number: 1056565

The Board of Trustees present their report and the financial statements of the Academy of Medical Royal Colleges ("the Academy") for the twelve-month period from 1 April 2021 to 31 March 2022.

## Trustees' report and financial statements

The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

### REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees of the charity, who are also the directors of the company, were:

**Mr Charles Winstanley**, Chair and Independent Trustee (throughout the period covered by this report, demitted 31 March 2022)

**Professor Alan Boyd**, Independent Clinician Trustee (demitted November 2021)

**Professor Bernie Chang**, Council member (from October 2021)

**Dr Anne de Bono**, Council member (demitted June 2021). Independent Clinician Trustee (from November 2021)

**Mrs Sarah Harkness**, Independent Trustee (throughout the period covered by this report)

**Professor Ravi Mahajan**, Council member (demitted September 2021)

**Mrs Suzanne McCarthy**, Independent Trustee (throughout the period covered by this report)

**Mr Miller McLean**, Independent Trustee and Chair of the Audit and Risk Committee (throughout the period covered by this report)

**Dr Mike Osborn** (from July 2021)

**Professor Dame Helen Stokes-Lampard**, Chair of Council (throughout the period covered by this report)

Charles Winstanley demitted office after serving for the maximum two terms in March 2022 therefore, the Board recruited a new Chair of Trustees in early 2022. The Board appointed Professor Andrew Eder who took office on 1 April 2022.

The address of the charity and the registered office of the company is at:

10 Dallington Street, London EC1V 0DB.

## Trustees' report and financial statements

The charity is registered under charity number (England and Wales) 1056565, and the company is incorporated in the United Kingdom with the company registration number 03166361.

The Trustees have made the following professional appointments:

Solicitor: Camerons Solicitors LLP, 70 Wimpole Street, London W1G 8AX

Accountant: Accountability Europe Ltd, Omnibus Workspace LTD, 39-41 North Road, London, N7 9DP

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

Banker: National Westminster Bank plc, 1 Cavendish Square, London W1A 4NU

The following key senior members of staff are responsible for the day-to-day management of the charity: Mr Alastair Henderson Chief Executive and Company Secretary and Ms Amy White, Chief Operating Officer.

## OBJECTIVES AND ACTIVITIES

### *Charitable Objectives*

The charitable objectives for which the charity was established and registered are stated in the Academy's Memorandum and Articles of Association as follows:

*"The protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties as defined in their respective Charters and by providing a forum for discussion and collaboration among the Medical Royal Colleges and their Faculties (but without prejudice to the autonomy of each such body) so as to promote for the benefit of the public the efficiency and effectiveness of the Medical Royal Colleges and their Faculties"*

### *Charitable Activities*

In pursuance of its charitable objectives, the Academy's principal activity is sharing and coordinating the work of the Colleges and Faculties.

The Academy undertakes project work in areas which cross College/Faculty boundaries. In particular, the Academy is co-ordinating College and Faculty activity on issues relating to education and training, quality improvement and workforce.

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The Academy also supports and promotes the Medical Training Initiative (MTI) which enables overseas doctors to train in the UK for a limited period.

The Academy regularly meets Ministers and senior staff from the UK Department of Health and national level health services bodies to discuss issues of concern to the Colleges and Faculties relating to quality standards and postgraduate training and education. The Academy also responds to appropriate consultation documents on generic issues.

### *Benefits and Beneficiaries*

In accordance with its charitable objectives, the Academy promotes the protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties. In doing so, it seeks to improve the quality of medical care for the benefit of patients. The charity's ultimate beneficiaries are therefore patients, and benefits to patients are provided through continuing to share and co-ordinate the work of the Colleges and Faculties.

### *Trustees' Assessment of Public Benefit*

The Trustees have taken the Charity Commission's general guidance on public benefit into consideration in preparing their statements on public benefit contained within this Trustees' annual report

The Trustees are of the view that the pursuit of the Academy's objects provides public benefit, and they believe the work of the Academy delivers public benefit as follows:

- Through attempting to ensure that all the work of the Academy starts from a patient-centred approach
- Through the delivery of projects which have potential benefit to patients
- Through the work of the Academy's Patient/Lay group, the co-option of the Chair of the Patient/Lay group onto the Academy Council and the involvement of lay members in all the major work streams run by the Academy such as revalidation, education and quality improvement.
- Through the support of cross-College activity which has an express aim of providing public benefit

## OBJECTIVES AND STRATEGIC AIMS

The Academy reviews its objectives and policy priorities on an annual basis. The objectives in 2021-22 were:

### *Our over-arching ambition*

## Trustees' report and financial statements

***To be clearly recognised by all key stakeholders as the leading voice of the medical profession across the UK on cross-specialty matters relating to education, training, and improving healthcare for patients.***

This means:

- Coordinating the views of the Medical Royal Colleges on cross-speciality issues
- Representing those views to either the key external stakeholders or to Medical Royal Colleges to support their own work
- Ensuring that the Academy's views and priorities are informed by patient perspectives.

### *Our strategic objectives*

***a) To provide the highest level of advice and influence on medical education, training, and the improvement of healthcare for the benefit of patients.***

We will do this by:

- Ensuring that the Academy is recognised as the voice of doctors - not for doctors' own interests, but in support of the highest standards of patient care
- Taking a leading role in the early identification of issues of concern to patients and the profession
- Supporting the doctors' role as leaders in developing, managing and delivering services.

***b) Be of value and relevant to the needs of our internal and external stakeholders***

We will do this by:

- Taking a UK wide perspective on policy issues in general and in response to specific issues
- Actively promoting collaborative working between Colleges and Faculties
- Actively engaging with Governments and other appropriate external organisations
- Working with representatives of other clinical professions, as appropriate
- Ensuring we do more of what adds value and cutting what doesn't.

***c) Ensure good governance and financial stability***

We will do this by:

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- Actively seeking alternative and additional sources of income, provided they are in line with the organisation's values and objectives
- Continuing to ensure that the Academy's expenditure remains in line with the income it generates
- Regularly reviewing governance and organisational arrangements to ensure they reflect best practice and can meet challenges as they emerge.

### Activity and Performance

The Academy's agreed activities are to:

- Promote collectively agreed health policy priorities
- Work collaboratively with members on cross-cutting education and training issues
- Liaise with external bodies on education, training, and standards
- Respond to consultations
- Provide or facilitate agreed services to member organisations
- Coordinate, but not control, communications activities.

COVID-19 and the pandemic continued to dominate our activity during 2021-22. The Academy and Colleges worked closely with Government and NHS England throughout the year providing advice and support. The focus on COVID impacted on timescales for delivery of various projects but did not stop other activity altogether.

The current policy priorities for the Academy were set by the Council at their annual Policy Day in September 2021. These are:

- **Workforce** – *Seeking to ensure we have the appropriate workforce, in the right numbers, properly supported and valued.*

Activity included: Support of enhancing junior doctors working lives initiative, a range of initiatives to support SAS doctors, cross College activity on workforce supply, initiatives with NHS on retention of doctors including the impact of pension arrangements, running the MTI scheme.

- **Education and Training** – *Supporting Colleges in maintaining excellence in medical education and training to ensure the highest quality delivery of care.*

Activity included: Working with Statutory Education Bodies and Colleges to maintain and support training through the pandemic including changes to assessment processes; maintaining the Academy education committees, revision of appraisal processes, work on patient safety and flexibility.

- **System improvement (i.e. Today's NHS)** – *Seeking to improve the operational*

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*efficiency and effectiveness of the NHS for the benefit of patients and staff.*

Activity included: Continuing work with NHSEI and Colleges on providing advice to support the NHS through the pandemic and ensuring the maintenance and restoration of services as far as possible; working with partner organisations to persuade Government to reform social care; ensuring Academy input to development and promotion of digital agenda; leading the Evidence Based Interventions Programme on behalf of NHSEI.

- **Rethinking Medicine and ensuring a sustainable future NHS (i.e. Tomorrow's NHS)** – *Seeking to help reshape the future delivery of health and care to provide person-centred equitable services in the future for the whole population.*

Activity included Rethinking Medicine initiative, Greening the NHS; Genomics; pushing for national action for long term reduction in health inequalities; seeking assurance of health information on social media platforms.

Full details of the Academy's activities during the period are set out on the Academy website in its [review of 2021-22](#).

### *Indicators, Milestones and Benchmarks*

The Academy Council and Board of Trustees reviews and agrees its work programme on an annual basis and considers the potential for public benefit of all work undertaken. The Council identifies its policy priorities and progress on delivering these is reported to the Council and Board. Progress in specific areas is monitored by the appropriate Committee and Council. The Chief Executive reports to the Council on the delivery of the work programme.

Copies of the Academy's reports and consultation responses are freely available and can be found on the Academy's website [www.aomrc.org.uk](http://www.aomrc.org.uk).

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### *Status and History*

The Academy of Medical Royal Colleges is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

The Academy was incorporated on 29 February 1996 and became a registered charity on 3 July 1996. New Governance arrangements and Articles of Association came into effect from April 2011 and new Regulations were adopted by the Trustees in May 2011 and have been revised on several occasions subsequently.

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### *Organisational Structure*

The overall strategic direction of the charity is determined by the Board of Trustees advised by the Council. The work of the Academy is centred on the Council which comprises the Presidents of all member Colleges and Faculties. The Council has established a series of Committees to carry out the organisation's work. These comprise representatives of member Colleges and Faculties and, where appropriate, representatives from outside organisations.

There is an Officers' Group comprising the Chair of Council, two vice chairs, and an Independent Clinician Trustee and RCGP representative which directs work between Council meetings.

The Academy has a Chief Executive and employs other full and part time members of staff, who all work closely with the elected Officers.

The Academy purchased leasehold premises at 10 Dallington Street, London EC1 in 2010 which provides office accommodation for staff and meeting space for Academy Council and Committee meetings. In 2019 the Academy joined other tenants in the building to form a limited company, "10 Dallington Street Ltd" which purchased the freehold of the building. The company subsequently granted new 999-year leases to tenants including the Academy.

### *Governance*

Under the governance structure Colleges are corporate members of the Academy and their nominated representatives, who must be their current Presidents or senior officers, form the Academy Council. The Council has delegated responsibility for the development and implementation of Academy policy on healthcare issues.

The Board of Trustees is responsible for the governance of the organisation and comprises an independently appointed Chair of Trustees, three further independent Trustees, three members of the Academy Council (one of whom may remain on the Board for a period of two years after they demit office as a Council member to provide clinical continuity) and the Chair of Council. At least two of the independent Trustees must not be medically qualified.

The Board has an Audit and Risk Committee comprising four trustees and the Chair of Trustees who attends ex officio. The Audit and Risk Committee looks at specific financial and risk issues in detail on behalf of the Board and also an Investment Sub Committee which oversees the organisation's financial investments.

### *Method of Recruitment, Appointment, Election, Induction and Training of Trustees*



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### *Recruitment, Appointment and Election*

The Independent Trustees are appointed through a process of public advertisement and appointment. The Regulations set out the composition of the panel required to appoint Independent Trustees. The Council Trustees are elected by the corporate members of the Council following a call for nominations. The Independent Clinician Trustee is one of the previous Council members invited to stay on the Board when they demit office as a Council member. The Chair of Council is a trustee by virtue of their role.

### *Induction and Training*

Trustees receive copies of Charity Commission guidance for trustees together with the organisation's Articles and Regulations. The Academy also produces a handbook with information on each of its members, the Council's meeting dates and its subcommittees. This is updated on a regular basis. Trustees receive a briefing on the organisation from the Chair of Trustees and the Chief Executive. Trustees can attend meetings of the Council to gain an understanding of the current policy issues. Trustees receive a weekly update of Academy activity.

There is an annual process of performance review and colleague feedback for trustees on an individual and collective basis and on seeking re-appointment.

External training is also available for trustees on financial and governance issues through the Auditors.

### *Resources*

The principal sources of income of the Academy comprise annual subscriptions from its constituent corporate members, the Colleges and Faculties, and monies payable to the Academy as administrator or manager of projects to be carried out either by the Academy directly or by Colleges and Faculties.

### *Risk and Corporate Governance Matters*

A formal risk register has been developed, under the headings of strategic, operational, people/staff, reputational and financial including investments. Key risks identified during the year and the methods to reduce, manage or eliminate these risks were:

- Managing activity through the COVID pandemic. The Academy continued to be fortunate in that the pandemic has not directly impacted on its operation or immediate funding and there is no activity we have not been able to carry out. Through most of the financial year, staff were working from home. All meetings were held remotely although a phased return to work began later in the year. The

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organisation and individual response to these changes was very positive.

- Ensuring financial balance. We are seeking to ensure continued external funding in the more difficult economic climate. This remains a key issue for the Board
- Maintaining effective relationships with members and with Government. This is managed by collecting regular feedback and monitoring the relationships.
- Supporting and retaining staff during the pandemic. This was managed through maintaining close contacts and support initiatives.

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Monitoring of the risk register is the responsibility of the Audit and Risk Committee and Board of Trustees. The Audit and Risk Committee has kept the content and format of the Risk Register under review and changes have been made to simplify the register.

The Board receives a report on performance developments of the organisation at each meeting and also on future financial projections.

There is a policy on conflict/declaration of interests, and individual Trustees are asked to complete a declaration of interests form on an annual basis. This is compiled into a register of interests which is reviewed annually by the Board and published on the Academy's website.

### *Staffing and HR*

There is a rolling programme to review all HR policies at least once every 3 years. The pay and reward and organisational structure, which incorporates annual salary reviews, was revised in April 2019 and remains in place.

In early 2022, the Chief Executive announced his intention to retire in March 2023. Since then, the Board has agreed a new leadership structure for the organisation. It was recognised that with the growth in scope of work of the Academy, it was no longer practical for the full span of duties to be covered by a single CEO role. Therefore, responsibility for external government affairs/policy development and internal operational issues will be split with an Executive Director being overall accountable. A new post of Director of Policy and Government Affairs is being created. There will not be a chief executive. The plan is to have a period of overlap with the Chief Executive to ease transition.

### *Indemnity Insurance*

The charity has taken out an insurance policy that provides professional indemnity cover for the Trustees, Officers, and staff of the charity.

### *Trustees' and Directors' Responsibilities in the Preparation of Financial Statements*

The Trustees (who are also the directors of The Academy of Medical Royal Colleges for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company as at the balance sheet date, and of the incoming resources and application of

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resources, including income and expenditure, for that period. In preparing those financial statements, the Trustees and directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures 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 charitable company will continue in business.

The Audit and Risk Committee met with the auditors to consider and discuss their findings.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

### *Statement as to Disclosure of Information to the Auditor*

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

## FINANCIAL REVIEW

### *Financial Results of Activities and Events*

The financial results of the charity's activities for the period ended 31 March 2022 are set

## Trustees' report and financial statements

out in the Statement of Financial Activities and supporting notes. The Academy's financial position is almost always finely balanced across its various programmes of work and, in the current climate of expanding levels of activity, the Trustees are carefully monitoring performance against budgets via quarterly management accounts to ensure that the charity remains financially viable.

During the 12-month period, the charity generated total incoming resources of £1,451,085 (2021: £2,181,576) and expended total resources of £1,577,268 (2021: £1,340,403). In addition to its standing committees and associated work programmes, the Academy undertakes project work funded by national health bodies and fitting with the Academy's strategic aims. The year-on-year fluctuations in income and expenditure are a result of this project work.

### *Restricted Funds*

The Academy holds a number of restricted funds relating to project work commissioned by external bodies. A number of these relate to activity which is expected to be undertaken on a continuing basis over more than a single year. Expenditure on the projects is managed carefully and allocated on an annual basis, as appropriate. The Board is aware of the need to ensure that restricted funds are fully utilised. Details of individual funds can be found in note 14 of the financial statements.

### *Remuneration Policy*

Remuneration policy is determined by the Board with decisions on any pay uplift made in relation to economic indices and to the level of any rise in subscriptions.

### *Reserves Policy and Going Concern*

The Trustees recognise the need to keep unrestricted free reserves at a level appropriate to the needs of the organisation.

The Academy has given consideration to its requirements in terms of reserves and believes free reserves are required by the organisation to

- Fund unexpected expenditure, e.g. unplanned events, project overruns, staffing cover for long term sickness;
- Ensure continuity and fund shortfalls in income when income does not reach expected/required levels;
- Provide funds to replace assets or capital development; and
- Cover the cost of the closure of the charity.

Consideration was also given to the level of reserves that would be appropriate for each of

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these categories. The approach used to calculate the organisation's target level of reserves is in line with the risk-based methodology promoted by the Charity Commission. It is based on six months' running costs for the organisation in terms of staffing, administration and running costs. As such the suggested required total would be a minimum of £500,000.

The Board has designated a "Development Fund" to cover specific expenditure related to the Academy's development programme and reserves requirements. This includes funds to manage potential loss of project income from national bodies. Having this fund does mean that formally the organisation's reserves are above the recommended limit. The Board is aware of this and recognises the obligation, as a registered charity, to spend funds in line with our charitable aims. Unrestricted designated funds have been used for a range of development activities this year. However, the Board is also mindful of the increasingly volatile investment and funding environment. This means ensuring a balance between financial prudence to preserve longer term viability and expenditure of accumulated funds in delivery of the charitable aims. The Trustees therefore consider it necessary to hold reserves sufficient to offset the potential for deficit budgets in the years ahead.

The Trustees considered that there were no material uncertainties about the Academy's ability to continue as a going concern. The Academy has been fortunate that it has not been directly impacted in its operation or income by the pandemic at this time. However, there is a potential for adverse impact on long-term subscription income if finances of member organisations are severely impacted on a permanent basis. The Board is keeping the situation under close review.

This policy will be considered annually by the Board of Trustees when approving the annual accounts. It will be reviewed fully every three years.

### *Investments Policy*

The Trustees are empowered to invest any monies not immediately required in or upon such investments, securities or property, as may be thought fit. The Board has reviewed its investment policy during the year to ensure an even spread of investment avoiding risk to the organisation's funds. The Board has adopted a policy of ethical investment.

### *Fundraising practice*

The Academy does not engage in public fundraising and does not use professional fundraisers or commercial participators. The Academy nevertheless observes the relevant fundraising regulations and codes. During the year the Academy received no complaints relating to its fundraising practice.

## PLANS FOR FUTURE PERIODS

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### *Future Strategy, Activities and their Impact*

The Academy has a clear work plan and budget. Future activities are planned by the Council at its annual policy away day and this feeds into the business planning and budget setting cycle introduced by the Board. This results in the development of an annual business plan agreed by the Board.

The Trustees are very aware of the possible decline in funding for projects from national bodies and of the need to generate further income. The Board oversaw a strategic review of the organisation's activities in 2021 which considered options for the development of future activity in conjunction with members. In essence, members were strongly supportive of the Academy's role in representing and advocating for members and were keen to see the organisation's focus remains on this. Widening membership of the Academy beyond medical organisations was not felt to be appropriate at the current time. Members recognised the need for the Academy to generate income through project activity, but this should not distract from the organisation's core representational role.

## FUNDS HELD AS CUSTODIAN

Although the Academy maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

This report was approved by the Trustees on 20th September 2022, and was signed for and on behalf of the board by:

..... Chair of Trustees

Professor Andrew Eder

20 September 2022



# Independent auditor's report to the members of the Academy of Medical Royal Colleges

## Opinion

We have audited the financial statements of Academy of Medical Royal Colleges (the 'charitable company') for the year ended 31 March 2022 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 March 2022 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
- 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 UK, including the FRC'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*



In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Academy of Medical Royal College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### *Other Information*

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

### *Opinions 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' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The trustees' annual report, has been prepared in accordance with applicable legal requirements.

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

In the light of the 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' annual report. We have nothing to report in respect of the

following matters in relation to which the 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; or
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

### *Responsibilities of trustees*

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

#### *Capability of the audit in detecting irregularities*

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, and the audit and risk committee, which included obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the charity operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the charity from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Noelia Serrano (Senior statutory auditor)

Date: 26 September 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

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

**THE ACADEMY OF MEDICAL ROYAL COLLEGES****Statement of financial activities**

(incorporating an income and expenditure account)

**For the year ended 31 March 2022**

		Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	Note	£	£	£	£	£	£
<b>Income from:</b>							
Sharing & co-ordinating the work of the Colleges & Faculties	2	657,027	793,887	<b>1,450,914</b>	474,837	1,706,190	2,181,027
Investment income	3	171	-	<b>171</b>	549	-	549
<b>Total income</b>		<b>657,198</b>	<b>793,887</b>	<b>1,451,085</b>	<b>475,386</b>	<b>1,706,190</b>	<b>2,181,576</b>
<b>Expenditure on:</b>							
Charitable activities:							
Sharing & co-ordinating the work of the Colleges & Faculties	4	611,801	965,467	<b>1,577,268</b>	439,568	900,835	1,340,403
<b>Total expenditure</b>		<b>611,801</b>	<b>965,467</b>	<b>1,577,268</b>	<b>439,568</b>	<b>900,835</b>	<b>1,340,403</b>
<b>Net income / (expenditure) before net gains on investments</b>		<b>45,397</b>	<b>(171,580)</b>	<b>(126,183)</b>	35,818	805,355	841,173
Net gains on investments		157,129	-	<b>157,129</b>	201,809	-	201,809
<b>Net income / (expenditure) for the year</b>	5	<b>202,526</b>	<b>(171,580)</b>	<b>30,946</b>	237,627	805,355	1,042,982
Transfers between funds		1,145	(1,145)	-	-	-	-
<b>Net movement in funds</b>	14	203,671	(172,725)	30,946	237,627	805,355	1,042,982
<b>Reconciliation of funds:</b>							
Total funds brought forward		2,111,219	1,976,691	<b>4,087,910</b>	1,873,592	1,171,336	3,044,928
<b>Total funds carried forward</b>		<b>2,314,890</b>	<b>1,803,966</b>	<b>4,118,856</b>	<b>2,111,219</b>	<b>1,976,691</b>	<b>4,087,910</b>

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 14.

The attached notes form part of these financial statements.

**THE ACADEMY OF MEDICAL ROYAL COLLEGES****Balance sheet****As at 31 March 2022**

	Note	£	2022 £	£	2021 £
<b>Fixed assets:</b>					
Tangible assets	8		811,898		816,884
Investments	9		<u>1,819,852</u>		<u>1,662,723</u>
			<b>2,631,750</b>		<b>2,479,607</b>
<b>Current assets:</b>					
Debtors	10	296,844		269,555	
Cash at bank and in hand		<u>1,359,280</u>		<u>1,503,476</u>	
		<b>1,656,124</b>		<b>1,773,031</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	11	<u>(169,018)</u>		<u>(164,728)</u>	
<b>Net current assets</b>			<b><u>1,487,106</u></b>		<b><u>1,608,303</u></b>
<b>Total net assets</b>			<b><u>4,118,856</u></b>		<b><u>4,087,910</u></b>
<b>Funds</b>					
Restricted funds	14		1,803,966		1,976,691
Unrestricted funds:					
Designated funds - building fund		811,898		816,884	
Designated funds - development fund		361,071		389,032	
General funds		<u>1,141,921</u>		<u>905,303</u>	
Total unrestricted funds			<b><u>2,314,890</u></b>		<b><u>2,111,219</u></b>
<b>Total funds</b>			<b><u>4,118,856</u></b>		<b><u>4,087,910</u></b>

These accounts have been prepared in accordance with the special provisions applicable to small companies subject to the small companies regime.

Approved by the trustees on **20th September 2022**  
and signed on their behalf by:

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**Professor Andrew Eder**  
**Chair of Trustees**

**Company registration no. 03166361**

The attached notes form part of the financial statements.

# THE ACADEMY OF MEDICAL ROYAL COLLEGES

## Statement of cash flows

For the year ended 31 March 2022

	Note	2022 £	2021 £	
<b>Net cash (used in) / provided by operating activities</b>	<b>a</b>	<b>(111,370)</b>	<b>168,583</b>	
<b>Cash flows from investing activities:</b>				
Purchase of fixed assets		(32,826)	(2,100)	
<b>Cash used in investing activities</b>		<b>(32,826)</b>	<b>(2,100)</b>	
<b>Change in cash and cash equivalents in the year</b>		<b>(144,196)</b>	<b>166,483</b>	
Cash and cash equivalents at the beginning of the year		1,503,476	1,336,993	
<b>Cash and cash equivalents at the end of the year</b>	<b>b</b>	<b>1,359,280</b>	<b>1,503,476</b>	
<b>a) Reconciliation of net expenditure to net cash flow from operating activities</b>				
		<b>2022</b>	<b>2021</b>	
		<b>£</b>	<b>£</b>	
<b>Net income for the reporting period</b> (as per the statement of financial activities)		<b>30,946</b>	<b>1,042,982</b>	
Depreciation		<b>37,812</b>	<b>39,269</b>	
Gains on investments		<b>(157,129)</b>	<b>(201,809)</b>	
(Increase) / Decrease in debtors		<b>(27,289)</b>	<b>77,230</b>	
Increase / (Decrease) in creditors		<b>4,290</b>	<b>(789,089)</b>	
<b>Net cash (used in) / provided by operating activities</b>		<b>(111,370)</b>	<b>168,583</b>	
<b>b) Analysis of cash and cash equivalents</b>				
	<b>At 1 April</b>	<b>Cash</b>	<b>Other</b>	<b>At 31</b>
	<b>2021</b>	<b>flows</b>	<b>changes</b>	<b>March</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2022</b>
				<b>£</b>
Cash at bank and in hand	1,503,476	(144,196)	-	<b>1,359,280</b>
<b>Total cash and cash equivalents</b>	<b>1,503,476</b>	<b>(144,196)</b>	<b>-</b>	<b>1,359,280</b>

# THE ACADEMY OF MEDICAL ROYAL COLLEGES

## Notes to the financial statements

For the year ended 31 March 2022

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### 1 Accounting policies

#### Statutory information

The Academy of Medical Royal Colleges is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 10 Dallington Street, London, EC1V 0DB.

#### 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) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company 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 or note.

#### Going concern

The Trustees considered that there are no material uncertainties about the Academy's ability to continue as a going concern. The Board, however, has been very aware of potential threats and risks most particularly in relation to the COVID-19 pandemic. The Academy has been fortunate that it has not been directly impacted in its operation or income by the pandemic at this time. However there is a potential for adverse impact on long-term subscription income if finances of member organisations are severely impacted on a permanent basis. The Board is keeping the situation under close review.

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

Credit is taken in the accounts for all membership subscriptions, which are receivable, as the membership year is co-terminus with the Academy's financial year. All other similar income are also accounted for on an accruals basis.

#### 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.

#### Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

#### 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:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.

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



# THE ACADEMY OF MEDICAL ROYAL COLLEGES

## Notes to the financial statements

### For the year ended 31 March 2022

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#### 1 Accounting policies (continued)

##### Allocation of support costs

All costs that cannot be identified as relating directly to the charity's principal activities are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the costs involved.

##### Operating leases

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

##### Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year and purchase price exceeds £1,000 are capitalised and classified as fixed assets. 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 property	over 50 years
Furniture and fittings	15% straight line
Computer equipment	over 3 to 5 years

##### 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.

##### 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.

##### 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.

##### Pensions

The charity makes contributions into defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year.

##### 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.

##### Financial instruments

With the exception of the listed investments described above, 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.

##### Grant making

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

## THE ACADEMY OF MEDICAL ROYAL COLLEGES

### Notes to the financial statements

For the year ended 31 March 2022

#### 2 Income from charitable activities

	2022			2021		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
<b>Sharing and co-ordinating the work of the Colleges and Faculties:</b>						
Subscriptions from members	447,859	-	<b>447,859</b>	437,232	-	437,232
Grants and other similar funding	<u>209,168</u>	<u>793,887</u>	<u><b>1,003,055</b></u>	<u>37,605</u>	<u>1,706,190</u>	<u>1,743,795</u>
<b>Total income from charitable activities</b>	<u><b>657,027</b></u>	<u><b>793,887</b></u>	<u><b>1,450,914</b></u>	<u><b>474,837</b></u>	<u><b>1,706,190</b></u>	<u><b>2,181,027</b></u>

#### 3 Income from investments

	2022			2021		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Bank interest	<u>171</u>	<u>-</u>	<u><b>171</b></u>	<u>549</u>	<u>-</u>	<u>549</u>
	<u><b>171</b></u>	<u><b>-</b></u>	<u><b>171</b></u>	<u><b>549</b></u>	<u><b>-</b></u>	<u><b>549</b></u>

#### 4 Analysis of expenditure

##### Current year

	Sharing and co-ordinating the work of the Colleges and Faculties				
	Charitable activities £	Support costs £	Governance costs £	2022 Total £	2021 Total £
Direct costs	530,451	-	-	<b>530,451</b>	455,013
Staff costs (See note 6)	303,896	510,656	-	<b>814,552</b>	691,054
Committees & forums expenses	-	15,522	634	<b>16,156</b>	289
Operating lease rentals	-	10,079	-	<b>10,079</b>	10,436
Premises costs	-	30,623	-	<b>30,623</b>	29,208
Admin costs	-	33,717	-	<b>33,717</b>	19,320
Insurance	-	9,342	-	<b>9,342</b>	8,722
Communication costs	-	28,839	-	<b>28,839</b>	22,231
Audit fees	-	-	9,660	<b>9,660</b>	9,300
Accountancy services	-	42,157	-	<b>42,157</b>	38,672
Legal and professional fees	-	12,772	-	<b>12,772</b>	15,831
Bank and credit card charges	-	1,108	-	<b>1,108</b>	1,058
Depreciation - owned assets	-	37,812	-	<b>37,812</b>	39,269
	<u><b>834,347</b></u>	<u><b>732,627</b></u>	<u><b>10,294</b></u>	<u><b>1,577,268</b></u>	<u>1,340,403</u>
Support costs	<b>732,627</b>	<b>(732,627)</b>	-	-	-
Governance costs	<b>10,294</b>	-	<b>(10,294)</b>	-	-
<b>Total expenditure 2022</b>	<u><b>1,577,268</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>1,577,268</b></u>	<u>1,340,403</u>

Of the total expenditure £611,801 (2021: £439,568) was unrestricted and £965,467 (2021: £900,835) was restricted.

**THE ACADEMY OF MEDICAL ROYAL COLLEGES****Notes to the financial statements****For the year ended 31 March 2022****4 Analysis of expenditure - continued****Prior year**

	Sharing and co-ordinating the work of the Colleges and Faculties			2021 Total £
	Charitable activities £	Support costs £	Governance costs £	
	Direct costs	455,013	-	
Staff costs (See note 6)	277,212	380,735	33,107	691,054
Committees & forums expenses	-	289	-	289
Operating lease rentals	-	10,436	-	10,436
Premises costs	-	29,208	-	29,208
Other printing, postage, stationery, admin costs	-	19,320	-	19,320
Insurance	-	8,722	-	8,722
Communication costs	-	22,231	-	22,231
Audit fees	-	-	9,300	9,300
Accountancy services	-	38,672	-	38,672
Legal and professional fees	-	15,831	-	15,831
Bank and credit card charges	-	1,058	-	1,058
Depreciation - owned assets	-	39,269	-	39,269
	<b>732,225</b>	<b>565,771</b>	<b>42,407</b>	<b>1,340,403</b>
Support costs	565,771	(565,771)	-	-
Governance costs	42,407	-	(42,407)	-
Total expenditure 2021	<b>1,340,403</b>	<b>-</b>	<b>-</b>	<b>1,340,403</b>

**5 Net income for the year**

	<b>2022</b> £	2021 £
This is stated after charging / (crediting):		
Operating lease rentals:		
Other equipment	<b>10,079</b>	10,436
Depreciation	<b>37,812</b>	39,269
Auditor's remuneration:		
Audit fee (excl. VAT)	<b>8,200</b>	7,600
Trustees' expenses	<b>634</b>	-

## THE ACADEMY OF MEDICAL ROYAL COLLEGES

### Notes to the financial statements

For the year ended 31 March 2022

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

Staff costs were as follows:	<b>2022</b>	2021
	£	£
Salaries and wages	<b>674,015</b>	569,062
Social security costs	<b>72,068</b>	61,000
Employer's contribution to defined contribution pension schemes	<b>63,071</b>	55,167
Luncheon vouchers	<b>3,960</b>	3,948
Temporary and other staff costs	<b>1,438</b>	1,877
	<b><u>814,552</u></b>	<b><u>691,054</u></b>

The following number of employees received employee benefits (excluding employer National Insurance and employer pension) over £60,000, during the year in the following band:

	<b>2022</b>	2021
	No.	No.
£60,000 - £69,999	<b>1</b>	-
£70,000 - £79,999	-	1
£80,000 - £89,999	<b>1</b>	-
£110,000 - £120,000	<b>1</b>	1

The total employee benefits including employer National Insurance and pension contributions of the key management personnel were £138,960 (2021: £137,649).

The charity has taken out an insurance policy that provides professional indemnity cover for the trustees, directors and staff of the charity. The cost of this insurance policy to the charity for the year was £9,342 (2021: £8,722).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil). Three trustees were reimbursed travel & accommodation expenses during the year for £634 (2021: £nil).

#### Staff numbers

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

	<b>2022</b>	2021
	No.	No.
Office and administration	<b>2</b>	2
Charitable activities	<b>12</b>	12
	<b><u>14</u></b>	<b><u>14</u></b>

#### 7 Taxation

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

## THE ACADEMY OF MEDICAL ROYAL COLLEGES

### Notes to the financial statements

For the year ended 31 March 2022

8 Tangible fixed assets	Leasehold property	Furniture & fittings	Computer equipment	Total
Cost	£	£	£	£
At the start of the year	985,650	49,162	202,044	<b>1,236,856</b>
Additions in year	-	-	32,826	<b>32,826</b>
At the end of the year	<u>985,650</u>	<u>49,162</u>	<u>234,870</u>	<u><b>1,269,682</b></u>
<b>Depreciation</b>				
At the start of the year	203,692	48,957	167,323	<b>419,972</b>
Charge for the year	19,656	96	18,060	<b>37,812</b>
At the end of the year	<u>223,348</u>	<u>49,053</u>	<u>185,383</u>	<u><b>457,784</b></u>
<b>Net book value</b>				
<b>At the end of the year</b>	<u><b>762,302</b></u>	<u><b>109</b></u>	<u><b>49,487</b></u>	<u><b>811,898</b></u>
At the start of the year	<u>781,958</u>	<u>205</u>	<u>34,721</u>	<u>816,884</u>

All of the above assets are used for charitable purposes.

In 2019 the owners of the building at 10 Dallington Street indicated their desire to sell the freehold. In accordance with legislative requirements existing tenants were offered the opportunity of purchasing the freehold. The majority of residential and commercial tenants expressed a desire to do so and formed a company "10 Dallington Street Ltd" which purchased the freehold. The Academy is a member of "10 Dallington Street Ltd". The company has subsequently granted new 999 year leases to tenants including the Academy.

The Academy follows the historic cost model of reporting property asset value in the annual accounts. The property was purchased in 2011.

9 Investments	2022	2021
	£	£
Fair value at the start of the year	<b>1,662,723</b>	1,460,914
Net gains on revaluation	<b>157,129</b>	201,809
Fair value at the end of the year	<u><b>1,819,852</b></u>	<u>1,662,723</u>
Historic cost at the end of the year	<u><b>1,000,000</b></u>	<u>1,000,000</u>

10 Debtors	2022	2021
	£	£
Trade debtors	<b>280,603</b>	223,849
Other debtors	<b>6,241</b>	7,991
Accrued income	<b>10,000</b>	37,715
	<u><b>296,844</b></u>	<u>269,555</u>

11 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	<b>78,005</b>	31,846
Taxation and social security including pension	<b>30,081</b>	20,334
Other creditors	<b>5,004</b>	3,723
Accruals	<b>55,928</b>	108,825
	<u><b>169,018</b></u>	<u>164,728</u>

**THE ACADEMY OF MEDICAL ROYAL COLLEGES****Notes to the financial statements****For the year ended 31 March 2022**

<b>12 Deferred income</b>	<b>2022</b>	2021
	<b>£</b>	£
Balance at the beginning of the year	-	807,720
Amount released to income in the year	-	(807,720)
Balance at the end of the year	<u>-</u>	<u>-</u>

Deferred income comprises funds received in advance of activities and events in the 2020/21 financial year.

**13 Analysis of net assets between funds****Current year**

	<b>General unrestricted</b>	<b>Designated</b>	<b>Restricted</b>	<b>Total funds</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	-	811,898	-	<b>811,898</b>
Investments	1,458,781	361,071	-	<b>1,819,852</b>
Net current assets	(316,860)	-	1,803,966	<b>1,487,106</b>
Net assets at the end of the year	<u><b>1,141,921</b></u>	<u><b>1,172,969</b></u>	<u><b>1,803,966</b></u>	<u><b>4,118,856</b></u>

	<b>General unrestricted</b>	<b>Designated</b>	<b>Restricted</b>	<b>Total funds</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Analysis of net assets between funds				
Prior year	-	816,884	-	816,884
Tangible fixed assets	-	816,884	-	816,884
Investments	1,273,691	389,032	-	1,662,723
Net current assets	(368,388)	-	1,976,691	1,608,303
Net assets at the end of the year	<u><b>905,303</b></u>	<u><b>1,205,916</b></u>	<u><b>1,976,691</b></u>	<u><b>4,087,910</b></u>

## THE ACADEMY OF MEDICAL ROYAL COLLEGES

### Notes to the financial statements

For the year ended 31 March 2022

#### 14 Movements in funds

Current year	At the start of the year	Income & gains	Expenditure & losses	Transfers	At the end of the year
	£	£	£	£	£
<b>Restricted funds:</b>					
e-Lfh Fund	124,931	-	68,372	-	<b>56,559</b>
Education and Training Projects	475,223	36,000	145,942	-	<b>365,281</b>
HEE	645,373	-	10,000	-	<b>635,373</b>
COPMed and COGPed	128,981	138,204	161,127	(1,145)	<b>104,913</b>
Medical Training Initiative	185,351	132,635	139,709	-	<b>178,277</b>
Matched Funds	43,703	-	43,703	-	-
Patient Safety	302,633	360,394	338,077	-	<b>324,950</b>
Choosing Wisely/ Decisions of Value	12,141	-	9,999	-	<b>2,142</b>
Wales Academy	12,116	-	4,000	-	<b>8,116</b>
Genomics	30,248	115,145	17,764	-	<b>127,629</b>
NHS Digital (AI) Artificial Intelligence	6,257	1,509	7,766	-	-
Changing Face of Medicine	9,734	10,000	19,008	-	<b>726</b>
<b>Total restricted funds</b>	<b>1,976,691</b>	<b>793,887</b>	<b>965,467</b>	<b>(1,145)</b>	<b>1,803,966</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Designated Building Fund (STA)	<b>816,884</b>	-	37,812	32,826	<b>811,898</b>
Designated Development Fund	<b>389,032</b>	-	-	(27,961)	<b>361,071</b>
<b>Total designated funds</b>	<b>1,205,916</b>	-	<b>37,812</b>	<b>4,865</b>	<b>1,172,969</b>
<b>General funds</b>	905,303	814,327	573,989	(3,720)	<b>1,141,921</b>
<b>Total unrestricted funds</b>	<b>2,111,219</b>	<b>814,327</b>	<b>611,801</b>	<b>1,145</b>	<b>2,314,890</b>
<b>Total funds</b>	<b>4,087,910</b>	<b>1,608,214</b>	<b>1,577,268</b>	-	<b>4,118,856</b>

**THE ACADEMY OF MEDICAL ROYAL COLLEGES****Notes to the financial statements****For the year ended 31 March 2022****14 Movements in funds (continued)**

Prior year

	At the start of the year £	Income & gains £	Expenditure & losses £	Transfers £	At the end of the year £
Restricted funds:					
e-Lfh Fund	60,618	150,000	85,687	-	124,931
Education and Training Projects	418,512	145,720	89,009	-	475,223
HEE	228,373	484,836	67,836	-	645,373
COPMed and COGPed	143,474	135,800	150,293	-	128,981
Medical Training Initiative	57,044	230,000	101,693	-	185,351
Matched Funds	51,203	-	7,500	-	43,703
Patient Safety	91,676	427,462	216,505	-	302,633
Choosing Wisely/ Decisions of Value	37,077	30,000	54,936	-	12,141
Wales Academy	14,616	-	2,500	-	12,116
Genomics	25,022	87,372	82,146	-	30,248
NHS Digital (AI) Artificial Intelligence	8,757	-	2,500	-	6,257
Changing Face of Medicine	33,742	15,000	39,008	-	9,734
Health and Work Funding	1,222	-	1,222	-	-
<b>Total restricted funds</b>	<b>1,171,336</b>	<b>1,706,190</b>	<b>900,835</b>	<b>-</b>	<b>1,976,691</b>
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	854,053	-	39,269	2,100	816,884
Designated Development Fund	395,452	-	6,420	-	389,032
<b>Total designated funds</b>	<b>1,249,505</b>	<b>-</b>	<b>45,689</b>	<b>2,100</b>	<b>1,205,916</b>
General funds	624,087	677,195	393,879	(2,100)	905,303
<b>Total unrestricted funds</b>	<b>1,873,592</b>	<b>677,195</b>	<b>439,568</b>	<b>-</b>	<b>2,111,219</b>
<b>Total funds</b>	<b>3,044,928</b>	<b>2,383,385</b>	<b>1,340,403</b>	<b>-</b>	<b>4,087,910</b>



## THE ACADEMY OF MEDICAL ROYAL COLLEGES

### Notes to the financial statements

#### For the year ended 31 March 2022

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#### 14 Movements in funds (continued)

##### Purposes of restricted funds

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out below:

**E-Lfh (e-learning for health) Fund.** This is from HEE enables the Academy to commission individuals producing e-learning material for joint projects between the Academy and e-Lfh. These include the Foundation e-Learning programme, leadership and mental health programmes

**Education and training projects.** This fund covers a number of specific commissioned projects or work areas in relation to education and training:

Foundation. This fund covers funding for specific work in relation to the regular review and updating of the Foundation curriculum which the Academy undertakes for the UK Foundation Programme.

Flexibility (including Generic Professional Capabilities and Shared content ) – This funding from the GMC supports work for enabling more flexibility into curricula and specifically developing shared content across curricula. It also incorporates the remainder of work on Generic Professional Capabilities.

Education – Other - This covers other education work. e.g. DEMEC, Broad Based Training.

Gap Analysis - Funding from HEE for development of a process and digital tool for identifying gaps in trainee learning/experience when moving back to training. Project not progressing as originally intended and used for to draw down CEO secondment costs.

**The Flexible Careers Committee.** Is a cross-College Group under the auspices of the Academy funded by a small separate levy of Colleges. Funding supports external secretariat and other administrative costs.

**HEE.** Research in medical education and workforce (previously Swanwick) Previously the funding for Tim Swanwick's project on leadership, this has been redesignated to cover a project with HEE on collating medical education and education workforce research.

**COPMED/COGPED.** Are the UK bodies bringing together representatives of Deaneries/LETBs to provide a strategic overview and operational delivery of postgraduate medical and GP training. The Academy hosts the COPMED/COGPED secretariat which support and manages their budget. £1,145 transfer relates to fixed assets purchased in 2021-22 for COPMED and COGPED.

## THE ACADEMY OF MEDICAL ROYAL COLLEGES

### Notes to the financial statements

For the year ended 31 March 2022

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#### 14 Movements in funds (continued)

**Medical Training Initiative (MTI).** The Academy was commissioned by the Department of Health to be the national sponsor of the MTI scheme which provides two year training opportunities for overseas doctors in the NHS. Funding, now provided by HEE, supports the Academy MTI management of the scheme including our MTI staff.

**Matched Funds.** Funding was from the Department of Health / NHS England to support a range of projects undertaken by Colleges on the condition they matched the funding awarded.

**Patient Safety.** A project to develop a patient safety syllabus and training for a proactive approach to risk to improve safety. HEE funded.

**Quality Improvement.** Incorporating work on quality improvement (QI) specifically previously developing a syllabus to improve understanding of QI.

**Choosing Wisely / Decision of Value.** Rethinking Medicine work for NHSE incorporates the Academy's Choosing Wisely.

**Wales Academy.** Including income from Wales's members and costs of administration and management

**Genomics.** NHS England funded work to promote understanding and spread of genomics.

**NHS Digital (AI) Artificial Intelligence.** NHS Digital funded project to look at ethics of AI from a clinical perspective.

**Changing Face of Medicine** Academy hosted project looking at the changing role of medicine and doctors. Funding from a number of sources. Work carried out by a contracted consultant.

**Pathways** – Project with NHSD to establish assurance mechanism for the clinical content on NHS Pathways.

**Health and Work Funding** – Funding received from Public Health England, for Academy to carry out Health And Work Conference funding.

#### **Designated Funds:**

Designated Funds are those allocated from within the Academy's overall general funds by the Trustees for specific purposes or projects determined by the Council and Trustees. They are kept as separate funds in the balance sheet for the duration of the project.

**Designated Building Fund.** Represents the value of the fixed asset of the Academy property at 10 Dallington Street. The outgoing resources are the depreciation of the capital value and minor repairs.

**Designated Development Fund.** Fund has been designated by the Trustees as a reserve to meet any shortfall in other funding sources and provide continued funding for the running of the Academy for a period of six months. Work on the development of shared services was funded from the Development Fund.

**THE ACADEMY OF MEDICAL ROYAL COLLEGES****Notes to the financial statements****For the year ended 31 March 2022**

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**15 Operating lease commitments**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2022</b>	2021
	<b>£</b>	£
Equipment:		
Less than 1 year	<u><b>10,079</b></u>	<u>9,009</u>
	<u><b>10,079</b></u>	<u>9,009</u>

**16 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

**17 Related party transactions**

There are no related party transactions to disclose for 2022 (2021: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are payments to and from members and trustees which are part of the normal course of business. Expenses reimbursed to trustees are disclosed in note 6.