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Charity Number: SC038299

# Royal College of Paediatrics and Child Health

Report and financial statements  
for the year ended 31 August 2023

Published January 2024



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# Introduction

Our mission to improve the health of children and young people (CYP) is measured by the impact of our programmes and the policies we support. 2023 has been a year of actions that challenged ways of working and broadened perspectives on child health. We have made improvements in how we support our members, particularly trainees, strengthened our commitment to sustainability and climate change and used our collective voice to influence government policies affecting children and young people.

This year saw the culmination of a multi-year project, Progress+. Our dedicated staff and member volunteers brought the new flexible curriculum to life in August as we welcomed a record number of trainees. Our Thrive programme, seeking to support paediatricians throughout their career, has developed resources on career pathways, mental health and wellbeing and much more. Our Annual Conference in Glasgow was a strong indicator of the desire for better work-life balance and a call to 'kindness in healthcare.' It was good to see participants in the College Strategy workshop inspired with questions about how to volunteer with the College and comments on how College resources were used to impact clinical care.

2023 was a challenging year for many across the UK, but our commitment to supporting our members and the communities they serve is stronger than ever. Our potential to make an impact on the overall health of children and young people can be seen in our policy work on health inequalities. This campaign highlighted the imbalance of care for children from low-income households and those living in areas with higher levels of pollution. We spoke out against vaping and strongly campaigned for better oversight and safeguarding for young people.

We know that one of the key ingredients in ensuring that our work continues to be influential and impactful in the way we include the voices of children and young people in everything we do. We have strengthened our ability to do this by building the staff team supporting RCPCH &Us and by changing our constitution to add a second Youth Trustee to our Board of Trustees.

Through the following pages the Trustees of the College present their report and the audited financial statements for the year ending 31 August 2023. We have maintained a strong financial performance, against a challenging economic environment. This has allowed us to continue and further develop core activities fundamental to the College and will allow us to invest in new areas of work over the years to come. The Trustees believe that the College is financially viable for the next 12-24 months on the basis of their review of the 2023-24 budget and proposed schedule of investment.

We consider that this report provides a clear narrative to describe our work over the past twelve months and shows its impact. It describes how our resources have been used to meet the charitable objectives of the College and it reflects our stewardship and the due diligence behind our decision making. Reference and administrative information set out on page 20 forms part of this report. The financial statements comply with current statutory requirements, the requirements of the Royal Charter, the requirements of a directors' report under company law, and the relevant Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

**Joanne Shaw**  
**Chair of Trustees**

**Liz Marder**  
**Treasurer**

# Achievements and performance

## Impact

As an organisation whose impact cannot be measured by numbers alone, the College has sought to identify meaningful metrics that illustrate progress across some of our key areas of priority. We reached three of our four Key Performance Indicators (KPIs) and whilst membership growth did not quite hit its target, we welcomed over 1,000 new members to the College and look forward to hearing from them and supporting them in their paediatric career.

Our staff engagement was included in 2021/22 showing a staff engagement rate of 71%. This figure is not measured annually as the College has committed to surveying staff every 2 years as a minimum, as part of our Investor in People status. The staff survey took place in the first quarter of 2023/24.

### Key:







Met or exceeded target



Missed by under 5% of target



Missed by over 5% of target

<p><b>The number of people that attend our online and face-to-face educational training courses</b></p>	<p>Target: 2,438 Achieved: 2,787 We continued to exceed our targets whilst maintaining standards with a 4.4/5 rating across our courses.</p>	 Met or exceeded target
<p><b>Number of members</b></p>	<p>Target: 5% growth Achieved: 4% growth, from 21,306 to 22,317 (target of 22,500) By continuing to provide a strong membership offer we grew our membership just missing our target</p>	 Missed by under 5% of target
<p><b>Number of members worldwide taking our examinations</b></p>	<p>Target: 8,220 Achieved: 8,392 We've exceeded our target, demonstrating the tremendous work of the examinations teams and examiners to support our members across the world.</p>	 Met or exceeded target
<p><b>The percentage of overall College income (across all funds) that comes from sources other than membership, exams and training fees</b></p>	<p>Target: 29.6% Achieved: 31% Our income diversification has grown to 31.0% from 16.1% in 2019-20, due to the return of face-to-face activity, including annual conference.</p>	 Met or exceeded target

Our 2021-24 strategy built on what we had learnt during the pandemic, using new ways of working and interacting, and robustly addressing our workforce needs. The last year has continued to place ever greater burdens on child health professionals and our strategy makes the support for lifelong careers in child health a central pillar. In our commitment to capitalise on what we have learnt, the strategy also brings the crucial role of digital innovation in our future ways of working to the fore.



The College referred to the advice contained in the Charity Commission's guidance on public benefit when reviewing and planning its future activities and identified the key strategic areas to support the College over the three year strategy period as follows:

1. To harness knowledge, data and intelligence to improve the quality of care for children and young people.
2. To equip members with the skills and knowledge they need through training and assessment.
3. To speak with confidence and authority on the health issues that matter to children and young people, and on policies that speak to our values and our mission.
4. To develop our communities, supporting members throughout their careers and attracting new recruits, ensuring the College is financially sustainable and well-resourced.

## Improving quality and care

### Standards and quality

The College continued to carry out a wide range of work to improve the quality of paediatric care and child health.

We continue to deliver three Healthcare Quality Improvement Partnership (HQIP) funded national clinical audits to promote improvements in care quality and have delivered the audit of child protection service standards.

Our Invited Reviews Service re-launched this year, underpinned a thorough review of previous processes and procedures with the lessons learnt resulting in more robust systems, procedures and processes. Three service reviews were undertaken, each providing initial feedback to the healthcare organisations which commissioned the reviews. Two of the three full reports were also provided and follow up is under way. The third report is currently being prepared.

We launched a new Patient Safety Portal and completed the third wave of the RCPCH Epilepsy Quality Improvement Programme (EQIP) which successfully worked with 13 Trusts, one Integrated Care Board and 32 people developing core quality improvement skills and implementing improvements to epilepsy practices.

The National Diabetes Quality Programme ran for five years until March 2023. An Impact Report was issued on closure highlighting completion of 132 Peer reviews. 76% of responding peer review services stated that they think peer review has had a direct impact on their service and health outcomes. The most common recommendations made during peer reviews were for increases in multidisciplinary staffing including dietetic, medical, psychological, paediatric diabetes service nurses and administrative provision.

### Digital transformation

The College continued its work to harness data and technology as set out within the current strategy. Internally, significant progress has been made in modernising our systems and infrastructure, we continue to migrate key systems into our cloud environment and have increased the robustness of our cloud native development platform. We have successfully migrated our finance system, which, amongst numerous other benefits, has enabled improvements for members in both the claiming of expenses from the College and the payment of annual fees both directly and via direct debit.

Our newly developed College Audit Platform delivered its first audit implementation, for the Epilepsy12 audit team. We have continued expansions of our Growth API service, including a new partnership with NHS Wales which we are excited to support in accurately measuring the growth of all children across the country.

Working closely with stakeholders such as NHS Digital, NHS England, NHS Wales and NHS Scotland on key technology projects has been, and will continue to be, pivotal in continuing to extend our ability to positively impact child health across the UK through the intelligent application of technology and data.

## Research and evidence

The Physical Signs of Child Sexual Abuse - a resource which provides evidence-based recommendations when examining and interpreting physical signs of sexual abuse - has been updated. Clinicians with specialist child protection skills, specific training and competences have the latest evidence at their fingertips to assess forensically children and young people where there are concerns about child physical abuse.

We are partnering with Google to use paediatric expertise and research evidence to properly assess and grade sexual abuse images on the internet. This vital piece of work will support better protection of children and support convictions of perpetrators of sexual abuse.

Our strategic partnership with the National Institute of Health Research (NIHR) has grown and strengthened and we have successfully influenced a Programme Development Grants Call for Child Health and Care Research, an initiative which will bolster research capacity, capability, and sustainability in some of the most complex and challenging areas of paediatrics.

The British Paediatric Surveillance Unit (BPSU) has continued to host and support innovative studies into rare and infectious diseases affecting children and young people covering a range of conditions such as acute hepatitis, near fatal asthma, congenital and hospitalised neonatal varicella and rapid-onset obesity with hypothalamic dysfunction, hypoventilation, and autonomic dysregulation (ROHHAD).

## Building skills and knowledge

### Professional training and examinations

Online examinations have continued, with online invigilation providing opportunities to take the theory examinations in countries without test centres. The MRCPCH Clinical examination in the UK continues to run face to face as does the MRCPCH Clinical examination overseas, with India and Nepal having restarted examinations in September 2022. Currently, we are unable to reopen examinations in Myanmar and Sudan due to civil unrest.

The START assessment, subspecialty recruitment and DCH Clinical examination have transferred from Practique to the newer and more user-friendly Osler system.

The updated Paediatric training programme - now branded as Progress+ - was successfully launched in August 2023 and aims to create more flexible and bespoke approaches to training. As a result, there has been a move from eight to seven indicative years of training and much more of a focus on innovative ways of collecting evidence and the benefits of longitudinal supervision. The changes have been well received after much stakeholder engagement activities and consultation with both trainees and trainers. A review after the first year of Progress+ will take place in Summer 2024 allowing any further changes to be made where necessary.

Our Education & Learning Board continues to conduct a quality review of all educational courses to ensure it is relevant and up to date. 47 educational courses were completed by 2,787 delegates with 80% stating that they can apply new learning to practice due to the courses they attended.

## Humanitarian work

RCPCH Global have continued to deepen, develop and extend paediatric partnership, systemic strengthening and improving survival for mothers, newborns, infants and children in our core operational countries – including Rwanda, Nepal, Myanmar and Lebanon.

We have initiated new partnership work with paediatric colleagues in India, Pakistan and Nigeria, building on initial engagement to understand factors affecting the quality and efficacy of local hospital care in selected areas. And we have continued to support Ministry of Health, hospital leaders and child health workers across the Sierra Leone care system. In each country, detailed data-gathering and evaluation show significant improvement in the quality of clinical care and substantial reductions in avoidable morbidity and mortality.

In Lebanon, we continue to build a large new programme supporting improved understanding of and care for children and families in the Palestinian refugee camps with developmental delays and/or cognitive impairment – forms of child disability which tend to go un- or under-recognised across situations of humanitarian crisis. The programme is funded through the generosity of College members' legacy, and is being taken forward in a highly complex and dynamic social, cultural and economic environment. RCPCH Global continues to seek out, benefit from and leverage on the global child health stage the unique potential represented by the collective knowledge, experience and expertise of its membership both in the UK and internationally.

## Influencing others

### Policy and advocacy

Our advocacy this year has focused on ensuring children and young people are considered in strategic national decision making in governments across the UK. We have been highlighting concerns that children's waiting lists are increasing at double the rate of adult lists, the fragility of the health system and how it is struggling with increased demand, and a lack of coordination and cooperation across government to ensure information sharing for children is seamless. Our advocacy on these issues has resulted in invitations to sit on national steering groups advising on improved urgent and emergency care pathways, elective recovery, information sharing and outpatient transformation for children.

Using insights from paediatricians and children and young people, we urged governments to take action to mitigate the impact of poverty on children's health and wellbeing, inviting our members to get involved in our #ShiftTheDial campaign. Other highlights from the year include influencing the NHS to fund Mental Health Lead roles across Trusts in England, giving evidence to the UK Parliament Health Select Committee on our call to ban vapes, and publishing our updated position on mandatory reporting of child abuse .

We continue to keep pace with the NHS industrial relations environment, providing resources for members.

## The voice of children and young people

The involvement of children and young people continued to be of vital importance in work undertaken by the College. Since September 2022, 1,088 children, young people and parent/carers have been involved with RCPCH, volunteering 1,481 hours on several different projects and programmes. 849 health professionals have also taken part in recipes for engagement sessions and our Safer Working Practices training has been taken by 40 members of staff.

We received 17 applicants from a wide range of backgrounds for the role of youth trustee and shortlisted 6 very strong candidates before Taona Makunganya was appointed and joined his first Trustee meeting in July 2023 bringing valuable insight to the heart of our governance.

## Equality, Diversity, and Inclusion (EDI)

In March 2023 the final report in the "Working for Change" series was published, which marked two-years on since this programme began in March 2021. This publication was an opportunity to report back on what has been achieved and mark a shift to a new phase for our EDI work. Following consultation with College staff and members, a new one-year strategic plan, "Making EDI everybody's business", was subsequently developed and published in September 2023.

In 2021 we committed to annual reporting of the EDI data held for our members and staff, along with aggregated disclosure rates relating to protected characteristics. For the first time in 2023 we collated this data for both members and staff on a dedicated dynamic webpage, including records held up to January 2023. We will update this annually.

Following a pilot last year, in June 2023 we launched a new expanded Reciprocal Mentoring scheme, allowing members with one or more protected characteristics to benefit from conversations with College Officers. Ten people were successfully recruited to the scheme.

## Climate change action

We scored highest in a peer reviewed study published in the Journal of Climate Change and Health that compared the climate credentials of UK health organisations against a climate change and health scorecard.

Eleven professional and regulatory health organisations responded to the scorecard, and we were pleased that the hard work outlined in our dedicated action plan to tackle climate change was recognised. Our work on advocacy was particularly high scoring, and this work has continued in earnest this year, building on our national and international reputation, including a particular focus on air quality.



To progress our net zero by 2040 ambitions, we worked with Investors in Environment, to achieve our bronze audit accreditation at our first attempt. We have also been nominated for a Best Newcomer award in recognition of our work in this area.

## Developing our community

### Member representation and support

Today the College supports over 22,000 members across the world. In 2022-23 we retained 96% of our membership and attracted around 1,000 new members. Listening and supporting our members remains at the heart of everything we do. Our activities have ensured that our members are represented to policymakers in governments and the NHS to shape policy and advance paediatrics and child health.

### Workforce planning and lifelong career support

Workforce planning and retention are key issues facing paediatrics and a leading priority for the College. Applications for the national paediatric training programme have increased year on year since the launch of our Memcom Award winning #ChoosePaediatrics recruitment campaign in 2019. The competition ratio at ST1 has more than doubled in the past 3 years, with over 1,200 applications submitted for 480 posts this year.

A wide range of resources across the paediatrics career journey published this year, including an online evidence library of workforce data, Consultant job planning guidance, ST1 onboarding support, a new careers booklet and the launch of a new 2-year RCPCH Thrive Programme. Supported by the Dinwoodie Foundation, 'Thrive Paediatrics' is led by two newly appointed Clinical Fellows and aims to improve the working lives of paediatricians by creating local communities where paediatricians come together to share stories and, using the newly published RCPCH Roadmap for Transforming the Lives of Paediatricians as a tool, begin to draw from each other's experiences to bring about change.

The College continue to support consultant and international recruitment, via the revamped Advisory Appointments Committee (AAC) and Medical Training Initiative (MTI) processes.

### Finance and governance

Financial performance for the 2022/23 financial year is positive, with an overall general reserve that is in line with the reserves policy. Planned expenditure from funds this year has enabled the College to make investments in upgrading critical infrastructure, enabling it to maintain its services and become more efficient and increase its strategic impact.

## Volunteers

The College is reliant on a considerable number of volunteers, estimated to be over 4,000, to achieve its objectives and we are incredibly grateful and indebted to the many individuals who serve in many capacities. This includes the children, young people, parents and carers that form our RCPCH&Us network, the many clinicians that sit on our committees and those members that act as UK and overseas examiners, tutors, regional advisers or assessors.

These volunteers provide many hours' work towards achieving the charitable objects of the College without remuneration, providing feedback, professional advice and expertise – either clinical or health service related .

## Fundraising

Fundraising at the College remains a crucial step in ensuring a diverse income portfolio and during the year, £443k of fundraising income was achieved.

A proportion of the fundraising income was the result of legacy donations from members of the College to support wider College activity during the year. Ensuring effective processes are in place to secure increased future pledges of legacy income is a fundraising priority.

Trust and foundation fundraising continue to be a major focus. The team successfully secured funding to support our climate change work with a focus on the impact of air pollution on children and young people's health. The College also received funds to enable the development of a webinar series on paediatric infectious diseases, to continue our Medicines for Children programme and to support the delivery of safeguarding training courses for clinicians.

In all fundraising activity, the College abides by all relevant regulation and codes and no fundraising complaints were received throughout the year. The College does not undertake fundraising through any third-party organisations.

## Principal risks and uncertainties

The Board of Trustees has agreed processes by which it reviews, identifies, and assesses major risks, ensuring that controls are put in place where necessary to mitigate those risks. The Board delegates elements of work on risk to the Audit, Finance and Risk Committee, to the Executive Committee, and to the Senior Leadership Team. This year has seen the Audit, Finance and Risk Committee develop its risk oversight, having deeper, more meaningful reports on fewer risks and exploring conversations about emerging risks for the College as part of the wider Risk Register. The committee, however, maintain oversight of all strategic and operational risks.

Risks	Mitigation
<b>Staff capacity and ability to deliver operational plans</b>	The Senior Leadership Team brought in targeted new roles across the College to mitigate this risk which has created capacity. Further to this the College has been mindful of the need to identify areas of efficiency whilst drafting the operational plans for 2023/24. The College is ambitious and recognises the huge value of its staff and volunteers and the impact they have on child health.
<b>Insufficient members can volunteer to support RCPCH activity</b>	We advertise our opportunities and provide letters of support on appointment and for NHS appraisal. We ensure clinicians are requested only where their skills are most needed. There has been some work in year to develop a volunteer strategy, this mitigation work will continue in 2023/24.
<b>Long-term financial sustainability of the College</b>	The College is working to move to three year budgeting process to provide a long term view on finance. The Board of Trustees have oversight of the long term reserves position, they review different financial scenarios to understand how decisions made in the short term affect the long term sustainability of the College.
<b>Successful targeted or accidental cyber security incident that compromises the College's systems</b>	The Board recognise that this is a risk for all organisations and the College must continually appraise its defences. All College systems are hosted with ISO27001 compliance, providers and systems hosted at Theobalds Road are suitably backed up offsite and protected using up-to-date firewalls and regularly updated anti-virus software. Further to this Cyber Essentials Plus certification has been granted and the DSP toolkit approved.

Risk management is flagged to new trustees during their induction process as one of their major responsibilities. The CEO and Chief of Staff take the operational lead for the risk management process. The Board has adopted a formal Risk Policy setting out responsibilities in this area and reviewed this policy during the reporting period.

The risk register is maintained by the Chief of Staff and reviewed quarterly by the Senior Leadership Team. These risks are then considered by the Audit, Finance and Risk Committee and a verbal report is provided by the AFRC Chair to the subsequent Board of Trustees meeting.

Risk is managed across the College and risks are assigned a suitable owner who is responsible for implementing appropriate mitigation. They monitor the ultimate impact of a risk and forecast how different actions can reduce the impact. These are then put in place as an action plan.

## Plans for future periods

Our strategy sets broad aims that are reflective of our mission and vision. This direction of travel will continue into the final twelve months of our current strategic plan. During this final year we will also work to develop a new College strategy, one that builds on our post pandemic recovery and further sets the foundations to deliver for paediatrics and child health and make continued impact in the years to come.

The College referred to the advice contained in the Charity Commission's guidance on public benefit when reviewing and planning its future activities.

## Objectives for 2023-24

The four strategic priorities at the centre strategy will continue to act as the blueprint for our work and over the next year we will use them to continue our mission for a healthier future for children and young people across the world. We will achieve this through a focus on the following areas:



## Financial review

The Statement of Financial Activities for the year is set out on page 28 of the financial statements.

### Financial overview

For the year to 31st August 2023, the overall net movement in funds was a decrease of £1.6m (2021/22 £1.7m increase) which comprises a decrease in general and designated funds of £1.0m (21/22: £1.4m increase) and a decrease in restricted funds (funds received and used for a specific purpose) of £0.6m (21/22: £0.3m increase).

The College's total income was £17.6m (21/22: £17.7m) of which £2.0m (21/22: £2.8m) has restrictions as to its use. Such restricted income is separately accounted for and unspent balances carried forward from year to year. Restricted funds unspent when a project is complete are available for return to the funder.

Income increased was in line with the previous year (21/22: 8.2% increase).

Membership subscriptions totalled £5.6m in year (21/22: £5.5m), set against the background of an increase in membership of 4% (from 21,306 to 22,317), compared to an increase of membership numbers of 4% the previous year. Assessment income increased by £0.3m or 5% from £5.4m to £5.7m, which continues the recovery of income lost due to problems running exams in 2019/20; other Education income decreased slightly to £1.3m (2021/22 £1.5m).

Digital Income (previously Publications Income) totals £1.2m (21/22: £1.2m) and includes £1.0m (21/22: £0.7m) in respect of the surplus due to the College from the joint venture to publish Archives. Most members receive this important and respected College publication as part of their membership and full access to the Archives website is given without charge to anyone with access to the internet living in lower-income countries (as defined by HINARI).

Digital income also includes £0.1m (21/22: £0.1m) given to the College by the College's associated undertaking RCPCH Publications Limited, owned equally by the College and the Neonatal Paediatric Pharmacists Group (NPPG). RCPCH Publications Limited is one of three parties to a joint venture to produce the British National Formulary for Children (BNFC). The aim of BNFC is to assist those who prescribe, dispense or administer medicines for children and is unusual in that it covers the off-label use of medicines and also lists unlicensed medicines necessary for the treatment of children.

Note 13 details performance of the College's wholly owned subsidiary, British Paediatric Services Limited (BPSL), the net profit of which is donated to the College as a gift aid payment each year. Operating Profit for the company is £0.3m, in-line with 21/22 (£0.3m) .

International income has decreased by £0.4m to £0.6m. The RCPCH Global team are currently working with partners, UNICEF, DIFD and the James Percy Foundation in Lebanon, Myanmar, Rwanda, Nepal and Sierra Leone.

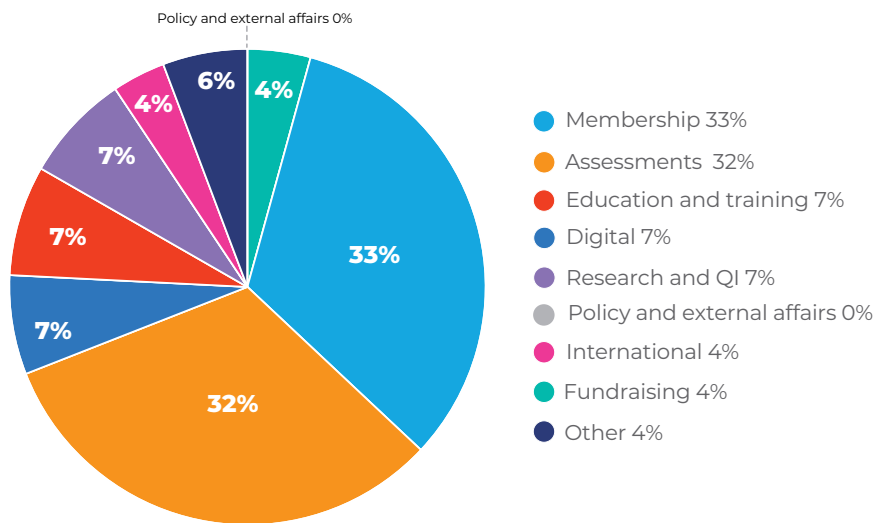
Restricted income received during the year was £2.0m, a decrease of £0.8m on 22/23. Further information on restricted funds is provided in note 21a on page 42



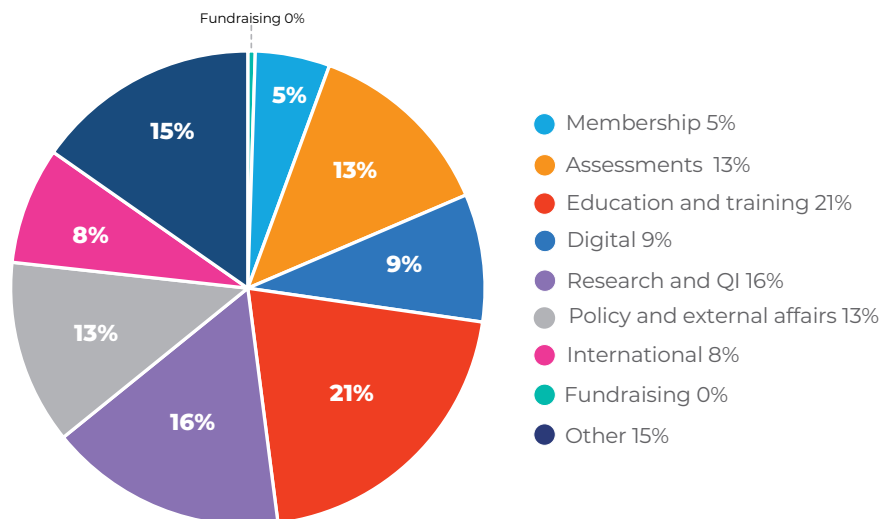
Designated income increased to £566k (before investment losses), a rise of £397k on last year. The designated fund balance at the 31 August 2022 is £18.0m, as the freehold property the College owns sits within this fund. More detail of activity within the fund is contained within note 21a on page 42.

Total expenditure has increased by £3.3m from £15.8m in 21/22 to £19.1m in 22/23, reflecting sizeable investment in critical digital infrastructure and front-line technical capacity as well as and increased cost pressures on the College.

Overall there was a small decrease in the College's General Fund Reserve, which is now at £1.9m (21/22: £2.0m).



Pie chart summarising income sources for 2022-23 – full detail in the SOFA on page 28.



Pie chart summarising expenditure areas for 2022-23 – full detail in the SOFA on page 28.

## Investment policy and objectives

In 2023 the College increased its Investment Portfolio, transferring an additional £0.1m (this sum to be treated as a Non-Permanent Endowment Fund) into the portfolio managed by Abrdn (formerly Aberdeen Standard Capital). The College has determined its own Environmental, Social and Governance (ESG) investment profile that defines those areas in which funds can be invested and seeks to preserve and grow the portfolio's value over time with a targeted total return of CPI +3% per annum measured over a five-year rolling time-frame. The portfolio has declined in value over the past 12 months in line with the market in general and at year-end this target was not being met.

In addition to the £2.2m held in an Aberdeen Liquidity Fund, there is a 24-hour call, interest bearing deposit that is treated as cash in these accounts.

## Premises

The College's freehold premises at 5-11 Theobalds Road were acquired on 15 January 2008 and provide approximately 23k square feet of flexible space. The purchase price was £17.4m. At the same time the College took out a £4.0m mortgage loan with the Royal Bank of Scotland plc to fund the purchase.

Costs associated with the purchase of the premises, fitting it out to the College's specification and irrecoverable VAT resulted in a total cost of £19.1m. A valuation of the premises carried out by Knight Frank in July 2022 gave a fair value of £16.5m, with no further impairment being suffered as the College now depreciates the building and its book value is below this valuation.

The College granted a six-year lease of the first floor and part of the ground floor of the Theobalds Road offices to Blood Cancer UK in 2022-23 which will generate a rental income of £225k per annum.

## Reserves policy

The General Funds represent the "free" funds of the College which are not designated for particular purposes or restricted in any way; they are essentially the College's reserves. Such funds need to be held as reserves to permit a responsible reaction to uncertainties.

The Reserves Policy of the College was reviewed and updated in June 2023. It was agreed that the minimum level of available funds should not fall below £2.5m.

The funds that the College views as available are the general (unrestricted) funds, plus those specifically designated for current infrastructure and strategy work. These funds had a total value of £3.99m at 31 August 2023 so the College is currently within its reserves policy.

Details of all designated funds together with the anticipated timing of this expenditure can be found in note 21a to the accounts.

Restricted funds are £2.4m a decrease of £0.6m over last year. Details of this work can be found in note 21a to the accounts.

## Donations disclosure

In the 22/23 financial year, the College received the following grants and donations in support of its activities:

bioMerieux	£28,765
NHSE	£100,000
Edith Florence Spencer Memorial Trust	£2,000
Dr Tonie Haynes	£27,659
NHSE/Barnardos	£12,000
The Grace Trust	£3,000
Individual Giving	£100
Clean Air Fund	£245,436
NHSE/HQIP/RCP	£18,000
Dr Mary Peard	£39,521
NHSE	£84,983

These grants and donations provided support for a number of projects including the development of a series of webinars on paediatric infectious diseases, a programme of work to raise awareness and promote engagement of genomics across paediatrics, and a new project on the impact of clean air on the health and wellbeing of children and young people. All offers of funding are reviewed under the 'RCPCH Policy for Accepting Donations/Funding' before acceptance.

## Pay transparency and equality

### Pay

For the first time in the College's history, it faced a public dispute over the staff pay award which resulted in industrial action by staff. The dispute was resolved in June 2023.

### Equality, Diversity and Inclusion

The College has continued with its commitment to equality, diversity and inclusion. This commitment includes working toward the Menopause Pledge providing information awareness sessions and signposting staff to appropriate resources. A policy is in development for publication in 2023/24. The College also embraces neuro-diversity and has sourced a provider to conduct work place assessments to ensure staff who may be neuro-diverse receive appropriate support as well as assistive technology to help them with their work. Awareness sessions have also been hosted and specific line manager sessions have also been made available.

### Hybrid Working

On returning to the office in 2022, staff worked a hybrid pattern of 60:40 over a 2 week cycle. Following a review, this was amended to 40:60 over a 4 week cycle. Productivity and performance remains high with sickness absence levels below the sector average.

### Senior Remuneration

The Senior Leadership Team are subject to the same remuneration policy as all staff. The College is committed to ensuring that salaries remain competitive through paying all employees in line with the wider market using salary benchmarking. Pay progression is based on performance against objectives, contribution and the application of new skills over time. The Board of Trustees and the People & Remuneration Committee have oversight of pay progression for the Senior Leadership Team.

The College is also a London Living Wage Employer.

# Objects and activities

## Purposes and aims

The primary purposes for which the College is established are its objects. These are stated in its Royal Charter and are as follows:

- to advance the art and science of paediatrics;
- to raise the standard of medical care provided to children;
- to educate and examine those concerned with the health of children;
- to advance the education of the public (and in particular medical practitioners) in child health which means the protection of children, the prevention of illness and disease in children and safeguarding their optimal development.

The College therefore aims to promote high quality, effective and efficient health services for children and young people, their parents and other carers, delivered by appropriately trained and experienced doctors. The College seeks to ensure that there is an evidence base for such services' effectiveness and efficiency and it works with all health carers of children to improve the overall physical, mental and emotional health of children and young people in the UK and elsewhere.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance *Public benefit: running a charity* (PB2)

## Vision, mission and values

Our vision is **"To transform child health through knowledge, innovation and expertise."**

This will be achieved through our mission for a healthier future for children and young people across the world and our College values of innovating, influencing, including and leading.



## Structure, governance and management

The RCPCH was established under a Royal Charter, which established the objects and powers of the charitable company. The charity is governed by this Charter and by Bye-Laws; revisions to these are subject to approval from the Privy Council and an RCPCH General Meeting. The current version of these documents took effect from 1 November 2016, when a new 12-member Board of Trustees was established.

The Trustees delegate day-to-day management of the charity to the CEO, and through the CEO to other staff. In 2019, the Board of Trustees agreed a new scheme of delegations formalising the level of decisions delegated to the CEO, to other staff, and to senior committees. The senior committees of the College are as follows:

### Board of Trustees

- Chaired by Joanne Shaw
- President, Registrar, Treasurer
- Four Member Trustees
- Three external Trustees, appointed to address skills gaps
- Beneficiary representative

### Council

- Chaired by the President
- Representative body of the membership responsible for setting strategy

### Executive Committee

- Chaired by the President
- Responsible for delivery of our strategy
- Senior officers
- Senior Leadership Team (SLT)

### Audit, Finance and Risk Committee

- Chaired by the Treasurer

### Remuneration Committee

- Chaired by the Treasurer
- Responsible for reviewing pay awards for CEO and Directors

### Appointments Panel

- Chaired by the Chair of Trustees
- Responsible for the appointment of new Trustees



The College also has two subsidiary undertakings: British Paediatric Services Ltd (100% stake) and RCPCH Publications Ltd (50% stake). The results of these subsidiaries are consolidated in the group financial statements. Further details are given below under 'Subsidiary Undertakings'.

All trustees give their time voluntarily and receive no benefits from the charity for their work as trustees. Any expenses reclaimed from the charity by trustees are set out in note 6 to the accounts. Trustees are permitted by the Royal Charter to receive remuneration from the RCPCH for non-trustee work for the College. Any instances of this are noted at meetings of the Board of Trustees and are also set out in note 6 to the accounts.

An external review of the Board of Trustees' performance, benchmarking against regulatory guidance and the Charity Governance Code, was undertaken in autumn 2020. The Trustees received its recommendations and agreed an action plan in December 2020 and has monitored progress since.

## Appointment, induction and training of Trustees

Under the governing documents, two of the trustee posts (President and Registrar) are appointed via election by eligible College members. All other trustee posts are filled by appointment against selection criteria. The Appointments Panel (a subcommittee of the Board of Trustees) is responsible for undertaking this process and ensuring that it complies with relevant regulatory advice and best practice within the charity sector.

### **Trustee induction and training**

All trustees receive an induction upon appointment and in addition to information relevant to their specific post, this includes:

- An overview of the legal duties of charity trustees, as set out in the Charity Commission's document *The Essential Trustee* (CC3).
- The RCPCH's governing and management structures, and its strategy and workplan.
- The RCPCH's approach to risk, financial management, and safeguarding.
- Meetings with the CEO and other senior staff.

In addition, trustees are offered appropriate training and development opportunities throughout their term.

# Reference and administrative information

## For the year ended 31 August 2023

**Charity number:** 1057744  
**Charity number:** SC038299

**Countries of registration:** England and Wales, Scotland  
**Registered office and operational address:** 5-11 Theobalds Road, London, WC1X 8SH

### Trustees:

Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ms Joanne Shaw	Chair
Dr Camilla Kingdon	President
Professor Steve Turner	Registrar
Dr Elizabeth Marder	Treasurer
Professor Sir Terence Stephenson	Member Trustee
Dr Tsitsi Chawatama-Kwambana	Member Trustee
Dr Bhanu Williams	Member Trustee
Mr Simon Meredith	External Trustee
Mr Adam Igra	External Trustee
Ms Sarah Watson	External Trustee
Ms Taona Makunganya	Beneficiary Trustee

### Senior Leadership Team:

Jo Revill	Chief Executive Officer (to 16 October 2022)*
Robert Okunnu	Chief Executive Officer (from 17 October 2022)
Emily Arkell	Executive Director of Research and Quality Improvement
Louise Frayne	Executive Director of People
Paul Marchant	Executive Director of Corporate Services
Richard Burley	Executive Director of Digital
Daniel Waeland	Executive Director of Education and Training
Melissa Ashe	Interim Director of Media, Policy and External Affairs (to 13 September 2023)
Selma Laklai	Interim Director of Media, Policy and External Affairs (to 13 September 2023)
Lizzie Dowd	Executive Director of Media, Policy and External Affairs (from 13 September 2023)

**Bankers:** Royal Bank of Scotland plc, LONDON. WC1V 6PQ

**Solicitors:** DAC Beachcroft, 25 Wallbrook, London, EC4N 8AF (from 31 Dec 2020)

**Auditor:** Sayer Vincent LLP, Chartered Accountants and Statutory Auditor  
Invicta House, 108-114 Golden Lane LONDON EC1Y 0TL

# Statement of Trustees' Responsibilities

## Updated for 2023 by subject matter expert

The trustees (who are also directors of Royal College of Paediatrics and Child Health 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 and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

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 legislation in other jurisdictions.

### **Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been approved by the trustees on 10 February 2024 and signed on their behalf by

**Joanne Shaw, Chair of Trustees**





# Independent auditor's report for the year ended 31 August 2023

## Opinion

We have audited the financial statements of Royal College of Paediatrics and Child Health for the year ended 31 August 2023 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the 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 group and parent charity's affairs as at 31 August 2023 and of the group's incoming resources and application of resources, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## 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 group 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 Royal College of Paediatrics and Child Health'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.

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

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements;
  - Sufficient and proper accounting records have not been kept; or
  - The financial statements are not in agreement with the accounting records and returns;
- or
- We have not received all the information and explanations we require for our audit.

## Responsibilities of trustees

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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, finance and risk committee, which included obtaining and reviewing supporting documentation, concerning the group'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 group 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 group 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 parent charity's trustees as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Sayer Vincent LLP, Statutory Auditor**  
**Invicta House, 110 Golden Lane, London, EC1Y 0TL**

**Date: 05 April 2024**

**Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006**



**Royal College of Paediatrics and Child Health**  
**Consolidated statement of financial activities (incorporating an income and expenditure account)**  
**For the year ended 31 August 2023**

	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2022 Total £'000
<b>Income from:</b>									
Donations and legacies		167	2	-	169	10	266	-	276
Charitable activities									
Membership		5,551	114	-	5,665	5,461	-	-	5,461
Assessment		5,712	-	-	5,712	5,425	-	-	5,425
Digital		1,107	94	-	1,201	1,191	-	-	1,191
Education & Training		1,331	4	-	1,335	1,406	85	-	1,491
Research & QI		-	1,309	-	1,309	1	1,405	-	1,406
Policy and External Affairs		-	-	-	-	381	15	-	396
International		133	514	-	647	123	959	-	1,082
Other professional activities and standards		632	-	-	632	483	26	-	509
Other trading activities		750	14	-	764	350	69	-	419
Investments	2	190	-	-	190	58	-	-	58
<b>Total income</b>		<b>15,573</b>	<b>2,051</b>	<b>-</b>	<b>17,624</b>	<b>14,888</b>	<b>2,825</b>	<b>-</b>	<b>17,713</b>
<b>Expenditure on raising funds</b>									
Fundraising trading	4	96	-	-	96	206	46	-	252
Charitable activities									
Membership	4	963	-	-	963	1,189	-	-	1,189
Assessment	4	2,472	-	-	2,472	1,946	-	-	1,946
Digital	4	1,664	-	-	1,664	955	60	-	1,015
Education & Training	4	3,878	73	-	3,951	2,953	117	-	3,070
Research & Quality Improvement	4	1,594	1,499	-	3,093	1,743	1,338	-	3,081
Policy and External Affairs	4	2,401	1	-	2,402	2,568	10	-	2,578
International	4	500	1,025	-	1,525	198	873	-	1,071
Other professional activities and standards	4	2835	99	-	2934	1511	53	-	1,563
<b>Total expenditure</b>		<b>16,403</b>	<b>2,697</b>	<b>-</b>	<b>19,100</b>	<b>13,269</b>	<b>2,496</b>	<b>-</b>	<b>15,765</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>(830)</b>	<b>(646)</b>	<b>-</b>	<b>(1,476)</b>	<b>1,619</b>	<b>329</b>	<b>-</b>	<b>1,948</b>
Unrealised gains / (losses) on investments	12	(114)	-	-	(114)	(208)	-	-	(208)
<b>Net income / (expenditure) for the year</b>	5	<b>(944)</b>	<b>(646)</b>	<b>-</b>	<b>(1,590)</b>	<b>1,411</b>	<b>329</b>	<b>-</b>	<b>1,740</b>
Transfers between funds		(51)	51	-	-	(18)	18	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(995)</b>	<b>(595)</b>	<b>-</b>	<b>(1,590)</b>	<b>1,393</b>	<b>347</b>	<b>-</b>	<b>1,740</b>
<b>Net movement in funds</b>		<b>(995)</b>	<b>(595)</b>	<b>-</b>	<b>(1,590)</b>	<b>1,393</b>	<b>347</b>	<b>-</b>	<b>1,740</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		21,055	2,990	15	24,060	19,662	2,643	15	22,320
<b>Total funds carried forward</b>		<b>20,060</b>	<b>2,395</b>	<b>15</b>	<b>22,470</b>	<b>21,055</b>	<b>2,990</b>	<b>15</b>	<b>24,060</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 20a to the financial statements.



**Royal College of Paediatrics and Child Health**  
**Consolidated statement of cash flows**  
**For the year ended 31 August 2023**

	Note	2023		2022	
		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net income for the reporting period (as per the statement of financial activities)		(1,590)		1,740	
Depreciation charges		535		555	
(Gains)/losses on fixed assets		67		(21)	
(Gains)/losses on investments		114		208	
Dividends and interest from investments		(190)		(44)	
Mortgage interest payable		22		18	
(Increase)/decrease in stocks		-		-	
(Increase) in debtors		667		46	
(Decrease)/Increase in creditors		685		(445)	
<b>Net cash provided by operating activities</b>			<b>309</b>		<b>2,057</b>
<b>Cash flows from investing activities:</b>					
Dividends and interest from investments		190		44	
Mortgage interest paid		(22)		(18)	
Purchase of tangible fixed assets		(185)		(299)	
Purchase of intangible fixed assets		(145)		(32)	
Purchase of investments		(134)		(840)	
Disposals of Investments		277		685	
Gain or loss of Investments		(114)		49	
<b>Net cash (used in) investing activities</b>			<b>(134)</b>		<b>(411)</b>
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		(134)		(171)	
<b>Net cash (used in) financing activities</b>			<b>(134)</b>		<b>(171)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>42</b>		<b>1,475</b>
Cash and cash equivalents at the beginning of the year			<b>8,526</b>		<b>7,051</b>
<b>Cash and cash equivalents at the end of the year</b>			<b>8,568</b>		<b>8,526</b>
		At 1 September 2022 £	Cash flows £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand		8,526	42	-	8,568
<b>a Total cash and cash equivalents</b>		<b>8,526</b>	<b>42</b>	<b>-</b>	<b>8,568</b>
Loans falling due within one year		175	-	-	175
Loans falling due after more than one year		1,399	(134)		1,265
<b>Total</b>		<b>5,307</b>	<b>(134)</b>	<b>-</b>	<b>7,128</b>

**Royal College of Paediatrics and Child Health**  
**Balance sheet**  
**For the year ended 31 August 2023**

		The group		The charity	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Fixed assets:</b>					
Tangible assets	10	<b>16,670</b>	16,918	<b>16,670</b>	16,918
Intangible assets	11	<b>457</b>	413	<b>457</b>	413
Investments	12	<b>2,214</b>	2,290	<b>2,214</b>	2,290
		<b>19,341</b>	19,621	<b>19,341</b>	19,621
<b>Current assets:</b>					
Debtors	15	<b>1,512</b>	2,179	<b>1,366</b>	2,029
Cash at bank and in hand		<b>8,568</b>	8,526	<b>8,120</b>	8,428
		<b>10,080</b>	10,705	<b>9,486</b>	10,457
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	16	<b>(5,686)</b>	(4,867)	<b>(5,465)</b>	(4,778)
<b>Net current assets / (liabilities)</b>		<b>4,394</b>	5,838	<b>4,020</b>	5,679
<b>Total assets less current liabilities</b>		<b>23,735</b>	25,459	<b>23,361</b>	25,300
Creditors: amounts falling due after one year	18	<b>(1,265)</b>	(1,399)	<b>(1,265)</b>	(1,399)
<b>Net assets</b>		<b>22,470</b>	24,060	<b>22,096</b>	23,901
<b>Funds:</b>	21a				
Restricted and endowment funds		<b>2,410</b>	3,005	<b>2,386</b>	2,981
Unrestricted income funds:					
Designated funds		<b>18,173</b>	19,082	<b>18,038</b>	18,947
General funds		<b>1,888</b>	1,973	<b>1,673</b>	1,973
Total unrestricted funds		<b>20,060</b>	21,055	<b>19,710</b>	20,920
<b>Total funds</b>		<b>22,470</b>	24,060	<b>22,096</b>	23,901

Approved by the trustees on 10 February 2024 and signed on their behalf by

Joanne Shaw  
Chair of Trustees

Dr Liz Marder  
Treasurer

## Royal College of Paediatrics and Child Health

### Notes to the financial statements

### For the year ended 31 August 2023

#### 1 Accounting policies

##### a) Statutory information

Royal College of Paediatrics and Child Health is an unincorporated charity registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The registered office address is 5-11 Theobalds Road, LONDON, WC1X 8SH.

##### b) 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 Charities Act 2011.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary British Paediatrics Services Limited (BPSL). The results are consolidated on a "line-by-line basis" for a subsidiary undertaking (BPSL) and on a "one-line basis" (of net results or share of net assets) for an associated undertaking (RCPCH Publications). Transactions and balances between the charity and its undertakings have been eliminated from the consolidated financial statements as appropriate. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

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

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

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

##### c) Public benefit entity

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

##### d) Going concern

The Trustees have considered the financial position of the College recognising its healthy cash position. They have evaluated the risks that it faces and continue to hold the view that there are no material uncertainties around going concern over the next 12 months.

**Royal College of Paediatrics and Child Health**  
**Notes to the financial statements**  
**For the year ended 31 August 2023**

**1 Accounting policies (continued)**

**e) Income**

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

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

Members' subscriptions are due on 1 January each year for existing members and on date of admission for new members; income is accounted for on an accruals basis over the calendar year to which they relate.

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

Income from legacies are recognised when the income is probable and can be measured sufficiently reliable.

**f) 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.

**g) Fund accounting**

Endowment funds are monies which have been given to the College in trust with the restriction that they are held as capital with the income generated from them to be used for specific awards.

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

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.

**h) 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:

- Fundraising trading relates to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising and trading purpose
- Expenditure on charitable activities includes the costs of delivering services for its members and the profession 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.

**Royal College of Paediatrics and Child Health**  
**Notes to the financial statements**  
**For the year ended 31 August 2023**

**1 Accounting policies (continued)**

**i) Allocation of support costs**

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

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

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of contracts provided by each activity. Support and governance costs are allocated on the basis of head count and transactional value:

● Membership	11.86%
● Assessment	17.86%
● Digital	7.52%
● Education and Training	19.06%
● Research & Quality Improvement	19.17%
● Policy & External Affairs	12.47%
● International	5.42%
● Other professional activities	6.64%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**l) Operating leases**

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

**m) Tangible and intangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £3,500 with the exception of computer hardware, for which the limit is £500. Depreciation (and amortisation of intangible assets) costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

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:

● Fixtures	5 years
● Office equipment	10 years
● Fittings and Refurbishment	10 years
● IT hardware	3 years
● Website	7 years
● Building	50 years
● Intangibles – Database & Software	5–7 years

**Royal College of Paediatrics and Child Health**  
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**1 Accounting policies (continued)**

**n) 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. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading “Net gains/(losses) on investments” in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

**Investments in subsidiaries**

Investments in subsidiaries are at cost.

**o) Stocks**

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

**p) 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.

**q) 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.

**r) 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.

**s) Financial instruments**

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.

**t) Pensions**

The college operates a Statutory Compliance Scheme which contributes a defined amount to individual employees' pension schemes and the pension charge represents the amounts payable by the College.

**2 Income from investments**

	<b>2023</b>	2022
	<b>Total</b>	Total
	<b>£'000</b>	£'000
Interest on Bank Deposits	<b>190</b>	58
	<b>190</b>	58

All income from investments is unrestricted.

**3 Grants**

	<b>Income</b>
	<b>£'000</b>
<b>Group and College</b>	
Income from government & government agencies	1,041
Other grants	1,268
	<b>2,309</b>



**Royal College of Paediatrics and Child Health**  
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**4a Analysis of expenditure (current year)**

	Charitable activities											<b>2023 Total £'000</b>	2022 Total £'000
	Fundraising trading £'000	Membership £'000	Assessment £'000	Digital £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities * £'000	Governance costs £'000	Support costs £'000		
Staff costs	-	234	461	949	2466	1862	1460	326	2524			<b>10,282</b>	9,005
Other direct costs	96	467	1616	549	1,064	808	666	1079	247	17		<b>6,609</b>	3,995
<i>Other allocated costs:</i>													
Premises & Facilities											765	<b>765</b>	557
Information and technology											307	<b>307</b>	1,166
Finance											319	<b>319</b>	278
Corporate services											818	<b>818</b>	764
	96	701	2,077	1,498	3,530	2,670	2,126	1,405	2,771	17	2,209	<b>19,100</b>	15,765
Support costs	-	262	395	166	421	423	276	120	146	-	(2,209)		-
Governance costs	-	-	-	-	-	-	-	-	17	(17)	-		-
<b>Total expenditure 2023</b>	<b>96</b>	<b>963</b>	<b>2,472</b>	<b>1,664</b>	<b>3,951</b>	<b>3,093</b>	<b>2,402</b>	<b>1,525</b>	<b>2,934</b>	<b>-</b>	<b>-</b>	<b>19,100</b>	15,765
Total expenditure 2022	252	1,189	1,946	1,015	3,070	3,081	2,578	1,071	1,563	-	-		14,597

\* This includes Corporate Services, HR and CEO divisions

**Royal College of Paediatrics and Child Health**  
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**For the year ended 31 August 2023**

**4b Analysis of expenditure (prior year)**

	Charitable activities											<b>2022 Total £'000</b>
	Fundraising trading £'000	Membership £'000	Assessment £'000	Digital £'000	Education & Training £'000	Research & Quality Improvement £'000	Policy & External Affairs £'000	International £'000	Other professional activities * £'000	Governance costs £'000	Support costs £'000	
Staff costs	-	384	991	268	2,014	2,025	1,685	345	1,293	-	-	<b>9,005</b>
Other direct costs	252	477	461	539	529	526	548	576	56	31	-	<b>3,995</b>
<i>Other allocated costs:</i>												
Premises & Facilities	-	-	-	-	-	-	-	-	-	-	557	<b>557</b>
Information and technology	-	-	-	-	-	-	-	-	-	-	1,166	<b>1,166</b>
Finance	-	-	-	-	-	-	-	-	-	-	278	<b>278</b>
Corporate services	-	-	-	-	-	-	-	-	-	-	764	<b>764</b>
	<b>252</b>	<b>861</b>	<b>1,452</b>	<b>807</b>	<b>2,543</b>	<b>2,551</b>	<b>2,233</b>	<b>921</b>	<b>1,349</b>	<b>31</b>	<b>2,765</b>	<b>15,765</b>
Support costs	-	328	494	208	527	530	345	150	183	-	(2,765)	
Governance costs	-	-	-	-	-	-	-	-	31	(31)	-	-
<b>Total expenditure 2022</b>	<b>252</b>	<b>1,189</b>	<b>1,946</b>	<b>1,015</b>	<b>3,070</b>	<b>3,081</b>	<b>2,578</b>	<b>1,071</b>	<b>1,563</b>	<b>-</b>	<b>-</b>	<b>15,765</b>

\* This includes Corporate Services, HR and CEO divisions

**Royal College of Paediatrics and Child Health**  
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**5 Net income / (expenditure) for the year**

This is stated after charging:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Depreciation/Amortisation	<b>535</b>	555
(Gains)/loss on disposal of fixed assets	<b>68</b>	(21)
Interest payable	<b>21</b>	22
Operating lease rentals:		
Property	–	11
Other	<b>12</b>	12
Auditor's remuneration (excluding VAT):		
Audit	<b>23</b>	20
	<b>535</b>	555

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

Staff costs were as follows:

	<b>2023</b>	2022
	<b>£'000</b>	£'000
Salaries and wages	<b>8,537</b>	7,506
Social security costs	<b>969</b>	838
Employer's contribution to defined contribution pension schemes	<b>658</b>	618
Redundancy and termination costs	<b>118</b>	87
	<b>10,282</b>	9,049

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	<b>2023</b>	2022
	<b>No.</b>	No.
£60,000 – £69,999	17	7
£70,000 – £79,999	6	2
£80,000 – £89,999	2	2
£90,000 – £99,999	1	1
£100,000 – £109,999	1	–
£110,000 – £119,999	1	–
£120,000–£130,000	1	–
£130,000–£140,000	–	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £1,093,643 (2022: £738,496). No trustee received any remuneration as part of this figure.

No (2022: none) trustees received payment (2022: £nil) in relation to work carried out under the Invited Review programme. No other trustees either received or waived any emoluments during the year (2022: none).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £7,783 (2022: £13,151) incurred by 4 (2022: 6 members) relating to attendance at meetings of the trustees.

The relevant staff costs have been included in the costs of generating voluntary income and in costs of charitable activities. The gender split in the College workforce is 69% female 31% male (2022: 75% female, 25% male) and all roles are evaluated and paid in accordance with the College pay scales irrespective of gender.

**7 Staff numbers**

The average number of employees during the year was 190 (2022: 190) on a head count basis and 175.8 (2022: 150) on a full time equivalent basis.

Staff are split across the activities of the charity as follows (head count basis):

	<b>2023</b>	2022
Membership	3.8	4
Policy & Ext Affairs	27.0	27.9
Examinations	9.7	16.3
Education & Training	44.8	41.3
Research & QI	44.0	40.5
International	5.0	5.0
Digital	12.0	10.4
Support	43.3	44.9
	<b>189.6</b>	190.3

**Royal College of Paediatrics and Child Health**  
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**8 Related party transactions**

The following transactions took place between the College and institutions with connections to a Trustee (as named below).

Trustee	Role / Institution	Purchases in year £	Income invoiced in year £	Still outstanding at year end £
Professor Sir Terence Stephenson	Honorary Consultant Paediatrician at University College Hospital and Great Ormond Street Hospital (GOSH) Fellow of Royal College of Physicians	3,453	-	3,453
		-	46,824	(45,144)
		4,792	-	-
Dr Camilla Kingdom	Evelina Children's Hospital	750	-	750
Dr Elizabeth Morder	Nottingham University Hospitals NHS Trust	1,304	-	1,304
Adam Igra	Guys and St Thomas' NHS FT	640	1,680	(1,040)

The transactions above all relate to ongoing relationships with some trustees' institutions and are not dependent on the Trustee status of the named individual. In addition, 7 trustee roles are set aside for members (in line with the College's governing documents). These member trustees each pay annual membership fees at the standard rate for the calendar year.

**9 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary British Paediatrics Services Limited distributes all available profits to the parent charity. Their charge to corporation tax in the year was:

	2023 £'000	2022 £'000
UK corporation tax at 19%	-	-

**10 Tangible fixed assets**

**The group and college**

Cost or valuation	Fixtures, office equipment, and IT hardware £'000	Fittings and Refurbishment	Freehold property £'000	Total £'000
At the start of the year	1,369	427	16,799	18,595
Additions in year	20	165	-	185
Disposals in year	-	-	-	-
At the end of the year	1,389	592	16,799	18,780
<b>Depreciation</b>				
At the start of the year	930	39	708	1,677
Charge for the year	154	43	236	433
Loss on impairment	-	-	-	-
Eliminated on disposal	-	-	-	-
At the end of the year	1,084	82	944	2,110
<b>Net book value:</b>				
<b>At the end of the year</b>	305	345	15,855	16,670
At the start of the year	439	388	16,091	16,918

Land with a value of £5,000,000 (2022: £5,000,000) is included within freehold property and not depreciated. All of the above assets are used for charitable purposes.

Fixtures, office equipment and IT includes silverware and regalia and similar donated assets which have been valued for insurance purposes and for these accounts at a value of £49,555 (2022 - £49,555). The valuation was performed in July 2013 by Thomas G Roswell (Rupert Toovey & Co Ltd, trading as Toovey's).

## Royal College of Paediatrics and Child Health

### Notes to the financial statements

### For the year ended 31 August 2023

<b>11 Intangible fixed assets</b>		
<b>The group and college</b>	IT Software	<b>Total</b>
<b>Cost</b>	£'000	£'000
At the start of the year	970	<b>970</b>
Additions in year	145	<b>145</b>
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	1,115	<b>1,115</b>
	<hr/>	<hr/>
<b>Amortisation</b>		
At the start of the year	556	<b>556</b>
Charge for the year	102	<b>102</b>
Eliminated on disposal	-	-
	<hr/>	<hr/>
At the end of the year	658	<b>658</b>
	<hr/>	<hr/>
<b>Net book value:</b>		
<b>At the end of the year</b>	457	<b>457</b>
	<hr/>	<hr/>
At the start of the year	414	414
	<hr/>	<hr/>
<b>12 Listed investments</b>		
	<b>The group and charity</b>	
	<b>2023</b>	2022
	<b>£'000</b>	£'000
Fair value at the start of the year	<b>2,270</b>	2,323
Additions at cost	<b>134</b>	840
Disposal proceeds	<b>(277)</b>	(685)
Net gain / (loss) on change in fair value	<b>(114)</b>	(208)
	<hr/>	<hr/>
	<b>2,013</b>	2,270
Cash held by investment broker pending reinvestment	<b>201</b>	20
	<hr/>	<hr/>
Fair value at the end of the year	<b>2,214</b>	2,290
	<hr/>	<hr/>
	<b>2023</b>	2022
	<b>£'000</b>	£'000
Aberdeen Money Market	<b>237</b>	<b>378</b>
Gilts	<b>150</b>	<b>72</b>
Listed shares on stock exchange	<b>1,626</b>	<b>1,820</b>
Cash	<b>201</b>	<b>20</b>
	<hr/>	<hr/>
	<b>2,214</b>	2,290
	<hr/>	<hr/>

### 13 Subsidiary undertaking

The College owns 100% of the ordinary share capital of British Paediatric Services Limited Company No. 02158572 (England & Wales) which has been consolidated as a subsidiary undertaking throughout. The College owns 50% of the ordinary share capital of RCPCH Publications Limited Company No. 03670119 (England & Wales) and, as there is no controlling interest, it has therefore been consolidated as an associated undertaking. Both companies are registered in England and Wales and registered at the same address as the parent charity.

One trustee, Dr Elizabeth Marder is also a director of BPSL and RCPCH Publications.

The related trading undertakings make gift payments to the College, usually their total net profit. All activities have been consolidated in the SOFA in accordance with the accounting policy on consolidation (see note 1) and are included in both incoming resources and resources expended within "Communications and Publications", "Other Trading" and "Investment Income".

Both related trading undertakings have an accounting reference date of 31 August and summaries of their trading results are shown below.

BPSL manages the provision of exhibition space at the Spring Meeting, provides some membership information for mailing services and distributes medical publications of interest to paediatricians.

**Royal College of Paediatrics and Child Health**  
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**13 Subsidiary undertaking (continued)**

	2023		2022	
	RCPCH Publications £'000	BPSL £'000	RCPCH £'000	BPSL £'000
Turnover	240	496	200	419
Cost of sales and administrative expenses	(39)	(170)	(39)	(160)
Operating profit	201	326	161	259
Interest receivable	1	3	57	89
<b>Net profit</b>	<b>202</b>	<b>329</b>	<b>218</b>	<b>348</b>
<b>Charitable trading funds</b>				
Balance at 1 September	-	159	-	100
Net profit	202	329	161	259
To be gifted to College for year ended 31	(101)	(159)	(80)	(200)
To be gifted to NPPG for year ended 31	(101)	-	(80)	-
<b>Balance at 31 August</b>	<b>-</b>	<b>329</b>	<b>1</b>	<b>159</b>

Amounts owed to the parent undertaking are shown in note 15.

In respect of RCPCH Publications Limited the College charged £42,000 (2022- £42,000) for College staff, newsletter advertising and facilities used.

**14 Parent charity**

The parent charity's gross income and the results for the year are disclosed as follows:

	2023 £'000	2022 £'000
Gross income	17,123	17,453
Result for the year	(1,804)	2,107

**15 Debtors**

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	607	386	375	198
Other debtors	3	658	3	656
Amounts due from associated undertakings	(50)	82	112	121
Prepayments	298	587	298	587
Accrued income	654	466	578	467
	1,512	2,179	1,366	2,029
	-	-	-	-

**16 Creditors: amounts falling due within one year**

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Mortgage loan	175	193	175	193
Trade creditors	542	641	542	641
Taxation and social security	331	349	306	349
Other creditors	148	-	147	-
Accruals	290	355	286	378
Deferred income (Note 17)	4,200	3,329	4,008	3,217
	5,686	5,312	5,465	4,777



**Royal College of Paediatrics and Child Health**  
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**17 Deferred income**

Deferred income comprises examination income and invoices from other services.

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Balance at the beginning of the year	3,329	3,505	3,217	3,454
Amount released to income in the year for Membership subscriptions	(3,573)	(1,387)	(3,571)	(1,388)
Amount released to income in the year exams and invoices	(6,669)	(5,078)	(6,670)	(4,986)
Amount deferred in the year	11,113	6,289	11,032	6,137
Balance at the end of the year	<u>4,200</u>	<u>3,329</u>	<u>4,008</u>	<u>3,217</u>

**18 Creditors: amounts falling due after one year**

	The charity	
	2023 £'000	2022 £'000
Mortgage loan	1,265	1,399
	<u>1,265</u>	<u>1,399</u>
<b>Analysis of mortgage loan not wholly repayable within 5 years by instalments</b>		
In more than one year but not more than two years	175	175
In more than two years but not more than five years	522	522
In more than five years	<u>568</u>	<u>702</u>

The mortgage loan is secured on the freehold property 5-11 Theobalds Road. It represents 9.08% (2022- 10.49%) of the cost of the property and is repayable in quarterly instalments from 2011 to 2033.

Interest was charged at 6.40% on the first £2,500,000 for the period to 15 January 2013. The interest on the remainder, and on the whole after this date, is charged at 0.75% above the Bank of England bank rate.

**19 Pension scheme**

The College operates a scheme to contribute a defined amount to individual employees' pension schemes. The assets of the various schemes are held separately from those of the College in independently administered funds. The total cost to the college of this scheme was £658,432 (2022:£618,000).

**20a Analysis of group net assets between funds (current year)**

	General unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets		16,670			16,670
Intangible assets		457			457
Investments		2,214			2,214
Net current assets	1,888	97	2,395	15	4,394
Long term liabilities		(1,265)			(1,265)
<b>Net assets at 31 August 2023</b>	<u>1,888</u>	<u>18,173</u>	<u>2,395</u>	<u>15</u>	<u>22,470</u>

**20b Analysis of group net assets between funds (prior year)**

	General unrestricted funds £'000	Designated funds £'000	Restricted funds £'000	Endowment funds £'000	Total funds £'000
Tangible fixed assets	-	16,918	-	-	16,918
Intangible assets	-	413	-	-	413
Investments	-	2,290	-	-	2,290
Net current assets	1,973	860	2,990	15	5,838
Long term liabilities	-	(1,399)	-	-	(1,399)
<b>Net assets at 31 August 2021</b>	<u>1,973</u>	<u>19,082</u>	<u>2,990</u>	<u>15</u>	<u>24,060</u>

## Royal College of Paediatrics and Child Health

### Notes to the financial statements

### For the year ended 31 August 2023

#### 21a Movements in Funds (current year)

	At 1 September 2022 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2023 £'000
<b>Permanent Endowment Funds</b>					
Permanent Endowment Funds	15	-	-	-	15
Non-Permanent Endowment Fund					-
<b>Restricted Funds</b>					
<b>Membership, Policy and External Funds</b>					
Paul Polani Fund	30	-	-	-	30
Other Awards & Prizes	21	-	-	-	21
Policy & External Affairs Funds	41	8	(1)	-	48
Non-Permanent Endowment Fund	92	-	-	-	92
<b>Corporate Services</b>					
Child Health Research Fund	34	-	-	-	34
Fundraising	18	8	-	-	26
<b>International</b>					
International Projects	376	722	(1,025)	-	73
El Shamy Bequest	617	-	(69)	-	548
<b>Education &amp; Training</b>					
Other Education & Training Funds	219	33	(73)	-	179
<b>Research &amp; QI</b>					
Research & QI Funds	1,053	1,220	(1,499)	50	824
RCPCH contribution to Newlife	45	-	-	-	45
<b>Digital</b>					
Royalties from PCHR	324	44	-	-	368
Other Digital Funds	18	9	-	-	27
<b>CEO</b>					
CYP Participation	102	7	(30)	1	80
<b>Total restricted and endowment funds</b>	<b>3,005</b>	<b>2,051</b>	<b>(2,697)</b>	<b>51</b>	<b>2,410</b>
<b>Unrestricted Funds</b>					
<b>Business Development</b>					
International Training Fund	19	1	(8)	-	12
Overseas Levy	15	133	(110)	34	72
<b>Education &amp; Training</b>					
CPD Diaries Fund	12	-	(33)	-	(21)
Exam Booking System Fund	26	-	(4)	-	22
<b>Research &amp; QI</b>					
Diabetes QAQI	239	-	(328)	90	1
R&QI Project Work	55	-	-	(5)	50
<b>Other</b>					
Committed Expenditure Fund	75	-	(30)	-	45
General Donations Fund	73	-	-	-	73
Writing Down Reserve	853	-	(185)	309	977
Charitable Trading Subsidiary Fund	-	432	(100)	(332)	-
Building Fund	14,482	-	(233)	(19)	14,230
Infrastructure Fund	1,760	-	(501)	(112)	1,147
Strategy Fund	964	-	(14)	-	950
Paediatrics 2040	-	-	-	-	-
Flexible Project Fund	250	-	-	85	335
Holiday Pay Accrual Fund	109	-	-	-	109
Investments	150	(613)	476	19	32
General Funds	1,973	15,647	(15,612)	(120)	1,888
<b>Total Unrestricted Funds</b>	<b>21,055</b>	<b>15,600</b>	<b>(16,682)</b>	<b>(51)</b>	<b>19,921</b>
<b>Total Funds</b>	<b>24,060</b>	<b>17,651</b>	<b>(19,379)</b>	<b>-</b>	<b>22,331</b>

The narrative to explain the purpose of each fund is given at the foot of the note below.

**Royal College of Paediatrics and Child Health**  
**Notes to the financial statements**  
**For the year ended 31 August 2023**

**21b Movements in Funds (reinstated prior year)**

	At 1 September 2022 £'000	Income & Gains £'000	Expenditure & Losses £'000	Transfers £'000	At 31 August 2023 £'000
<b>Permanent Endowment Funds</b>					
Permanent Endowment Funds	15	-	-	-	15
Non-Permanent Endowment Fund					-
<b>Restricted Funds</b>					
<b>Membership, Policy and External Funds</b>					
Paul Polani Fund	30	-	-	-	30
Other Awards & Prizes	21	-	-	-	21
Policy & External Affairs Funds	36	23	-	(18)	41
Non-Permanent Endowment Fund		100		(8)	92
<b>Corporate Services</b>					
Child Health Research Fund	124	-	-	(90)	34
Fundraising	18				18
<b>International</b>					
International Projects	231	960	(848)	33	376
El Shamy Bequest	500	150	(33)	-	617
<b>Education &amp; Training</b>					
Other Education & Training Funds	251	85	(117)	-	219
<b>Research &amp; QI</b>					
Research & QI Funds	1,035	1,415	(1,359)	(38)	1,053
RCPCH contribution to Newlife	-			45	45
<b>Digital</b>					
Royalties from PCHR	335	65	(86)	10	324
Other Digital Funds				18	18
<b>CEO</b>					
CYP Participation	62	26	(52)	66	102
<b>Total restricted and endowment funds</b>	<b>2,658</b>	<b>2,824</b>	<b>(2,496)</b>	<b>18</b>	<b>3,005</b>
<b>Unrestricted Funds</b>					
<b>Business Development</b>					
International Training Fund	23	-	(4)	-	19
Overseas Levy	15	123	(90)	(33)	15
<b>Education &amp; Training</b>					
CPD Diaries Fund	12	-	-	-	12
Exam Booking System Fund	26	-	-	-	26
<b>Research &amp; QI</b>					
Diabetes QAQI	727	-	(488)	-	239
R&QI Project Work				55	55
<b>Other</b>					
Committed Expenditure Fund	75	-	-	-	75
General Donations Fund	71	2	-	-	73
Writing Down Reserve	846	-	(321)	328	853
Charitable Trading Subsidiary Fund	-	351	(215)	(136)	-
Building Fund	14,718	-	(236)	-	14,482
Infrastructure Fund	1,122	-	(232)	870	1,760
Strategy Fund	673	-	(9)	300	964
Paediatrics 2040	-	-	-	-	-
Flexible Project Fund	-	-	-	250	250
Holiday Pay Accrual Fund	146	-	-	(38)	109
Investments	287	44	(226)	45	150
General Funds	921	14,368	(11,657)	(1,659)	1,973
<b>Total Unrestricted Funds</b>	<b>19,662</b>	<b>14,888</b>	<b>(13,477)</b>	<b>(18)</b>	<b>21,055</b>
<b>Total Funds</b>	<b>22,320</b>	<b>17,713</b>	<b>(15,973)</b>	<b>-</b>	<b>24,060</b>

## Royal College of Paediatrics and Child Health

### Notes to the financial statements

### For the year ended 31 August 2023

#### Notes on the funds:

**Paul Polani Fund** arises from a one-off donation and has been restricted to encourage work in neuro-disability, possibly by funding an award.

**Other Awards and Prizes** is the aggregate of the following: Donald Paterson Prize Fund, John Lorber Fund, Heinz Fund, Visiting Fellowship Fund and the net income from the Michael Blacow Memorial Fund and the James Spence Medal Fund.

**Child Health Research Fund** is a resource to provide funded Research Fellowships in Paediatrics with the aim of building capacity in child health research and securing a new generation of academic leaders.

**El Shamy Bequest** is a amount given to the College to fund Child Health Projects in the Palestinian Territories

**International Projects** represents the balances held on all Global Health team projects.

**Education & Training and Research & Policy Funds** are net unspent voluntary income, mainly grants, received for the development of specific education programmes and research into and audit of particular childhood illnesses and conditions.

**CYP Participation Fund** is a resource available to support the NHS London Specialised Paediatric Commissioning Group.

#### Unrestricted funds

**Overseas Levy** was first collected from the membership in January 2002 following a decision of the 2001 AGM and is designated to fund the development of overseas activities as determined by the Global Health Team – holding duration indeterminate.

**Exam booking System** the balance of monies set aside to complete the development of the College's new Exams Booking System.

**CPD Diaries Fund** – the balance of monies set aside to complete the development of the College's new CPD Diary

**Committed Expenditure fund** to meet specific commitments related to College infrastructure – holding duration indeterminate.

**General Donations Fund** – ensures that all voluntary gifts and donations received for the general work of the College are designated so their application can be monitored. The fund includes silverware and regalia and similar donated assets, which have been included in these financial statements at a value of £73,000 (2022 – £73,000) – holding duration

**Writing-Down Reserve** is earmarked to allow for college assets to be depreciated in line with the financial policies outlined in Note 1. This forms part of our prudent financial management – holding duration depreciable life of assets.

**Flexible Project Fund** – funds set aside to fund one-off in-year emergency projects as determined and approved by the Executive Committee.

**Fixed Asset Fund** identifies those funds that are not free funds and it aims to represent the net asset value of tangible fixed assets which is their NBV after deducting the remaining amount of the mortgage loan payable.

**Infrastructure Fund** – funds set aside for premises reconfiguration and maintenance and IS projects including long-term projects such as future replacement of the College Website – these funds will be expended year by year as the College delivers its digital strategy but will also be replenished on an ongoing basis.

**Strategy Fund** – funds set aside to facilitate the College's three-year strategic plan and wider strategic planning

**Holiday Pay Accrual Reserve** – funds set aside to cover for Holiday Pay not taken at 31st August 2023 holding duration fully expended 2023-24.

**General Funds** represent the free funds of the College which are not designated for particular purposes.

**Royal College of Paediatrics and Child Health**  
**Notes to the financial statements**  
**For the year ended 31 August 2023**

**22 Operating lease commitments payable as a lessee**

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

	Property		Equipment	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Less than one year	-	-	15	15
One to five years			15	30
Over five years				
	<u>-</u>	<u>-</u>	<u>30</u>	<u>45</u>

**23 Operating lease commitments receivable as a lessor**

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property	
	2023	2022
	£'000	£'000
Less than one year	285	273
One to five years	931	994
Over five years	222	444
	<u>1,438</u>	<u>1,711</u>

**Royal College of  
Paediatrics and Child Health**

Report and financial statements for the year ending 31 August 2023

Published January 2024

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The Royal College of Paediatrics and Child Health (RCPCH) is a registered charity in England and Wales (1057744) and in Scotland (SC038299).

