



The Royal College of Pathologists
Pathology: the science behind the cure

Annual report and financial statements

For the year ended 30 June 2013

Registered charity number 261035



The Royal College of Pathologists
2 Carlton House Terrace, London, SW1Y 5AF, UK
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**INVESTORS
IN PEOPLE**

The Royal College of Pathologists

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The Royal College of Pathologists

Report of the Trustees for the year ended 30 June 2013

Council are pleased to present their report together with the financial statements of the College for the year ended 30 June 2013.

Reference & administrative details

Principal Office

The Royal College of Pathologists, 2 Carlton House Terrace, St. James's, London SW1Y 5AF.
Telephone: 020 7451 6700
Facsimile: 020 7451 6701
E-mail: info@rcpath.org
Website: www.rcpath.org

Registered charity number: 261035

Trustees

Members of College Council are the Trustees of the College. Council is made up of honorary officers, elected and co-opted Councillors. Those who served on College Council during the year were as follows:

Honorary Officers, nominated from the fellowship, and elected by Council:

Dr Archie Prentice *	President	
Dr Bernie Croal *	Vice President	
Dr Suzy Lishman *	Vice President	
Professor Michael Wells *	Vice President	
Dr Charles Singer *	Treasurer	(Demitted office 21 November 2012)
Dr David Cassidy *	Chair Welsh Regional Council	(Demitted office 21 November 2012)
	Treasurer	(Appointed 21 November 2012)
Dr Rachael Liebmann *	Registrar	
Dr Simon Knowles *	Assistant Registrar	(Demitted office 6 September 2012)
Dr Terry Jones *	Assistant Registrar	(Appointed 28 March 2013)

Elected Councillors

Dr Simon Davies	Chair South West Regional Council	
Professor Stephen Gillespie *	Chair Scottish Regional Council	
Dr Bushra Hamid	Chair North West Regional Council	
Dr Mark Heatley	Chair Northern Regional Council	
Dr Jeremy Quiney	Chair South East Regional Council	
Dr Ian Seddon	Chair Eastern Regional Council	
Dr Mallika Sekhar	Chair London Regional Council	
Professor Carrock Sewell	Chair Trent Regional Council	
Dr Thomas Trinick *	Chair Northern Ireland Regional Council	
Dr Avril Wayte *	Chair Welsh Regional Council	(Appointed 24 January 2013)
Mr Craig Webster	Chair West Midlands Regional Council	

Professor Kate Gould *
Dr Tim Helliwell
Professor James Lowe
Dr Tim Noakes
Dr Lance Sandle
Dr Prema Seetulsingh
Professor Tim Stephenson
Dr Philip Wood *

The Royal College of Pathologists

Report of the Trustees for the year ended 30 June 2013

Trustees (continued)

Co-opted Councillors

Professor Ian Cree	(Appointed 24 January 2013)
Professor William Fraser	
Professor Peter Goldfarb	
Mrs Gail Norbury	(Appointed 24 January 2013)
Dr Sandra Scholes	
Dr Jeff Seneviratne *	
Dr Jonathan Waters	(Demitted office 21 November 2012)

* Member of the Executive Committee and the Finance Committee

Senior Staff

Daniel Ross	Chief Executive
Elsbeth Evans	Deputy Chief Executive (to December 2012)
Joanne Brinklow	Head of Educational Standards
Diane Gaston	Head of Communications (from January 2013)
Dan Hill	Head of Operations (from January 2013)
Stella Macaskill	Head of Professional Standards

Professional advisors to the College

Auditors:	Coulthards Mackenzie, 9 Risborough Street, London SE1 0HF.
Bankers:	HSBC Bank, 69 Pall Mall, St. James's, London SW1Y 5EY.
Solicitors:	IBB Solicitors. Capital Court, 30 Windsor Street, Uxbridge UB8 1AB.
Stockbrokers:	Canacord Genuity, 8th Floor, 88 Wood Street, London EC2V 7QR.
Insurers:	Sydney Packett & Sons Limited, Salts Wharf, Ashley Lane, Shipley, West Yorkshire BD17 7DB.

Structure, Governance & Management

The College of Pathologists was founded on 21 June 1962 and was incorporated under Royal Charter on 28 February 1970, and registered as a Charitable Trust on 28 April 1970. The College is governed by its Royal Charter, Ordinances and By-laws.

The Trustees who served during the year are set out above. Council members are appointed for three years after which they may serve again only after a one year gap. The President, three Vice Presidents, Registrar and Assistant Registrar serve for a three-year term of office. The Treasurer can serve for a maximum of two consecutive three-year terms of office. The honorary officers are elected by the Council from amongst the Fellows of the College. Other Council members must be a Fellow of the College, nominated by 2 other Fellows, and voted for by all eligible Fellows in particular constituencies.

Council is the governing body of the College and meets five times per year, and is responsible for the affairs and business of the College. There are sub committees, including the executive committee, finance committee, standing advisory committees, examinations and training committees and a lay advisory committee. Any actions including any decisions of any committee must be reported to and confirmed by Council as soon as practicable.

The Royal College of Pathologists

Report of the Trustees for the year ended 30 June 2013

Structure, Governance & Management (continued)

Council members take decisions in the best interests of the College as a whole. They operate in accordance with a code of conduct that makes explicit reference to objectivity in decision-making. A register of interests is maintained in respect of each Council member. On appointment to office council members receive an induction pack. Additionally, at the first meeting of the year where there are new members of council, a session is devoted to induction training.

Council approves the College's annual budget and five year plan. Once approved, the implementation of the plan is delegated to the staff, who have the authority to work within the parameters set by Council. Decisions of a strategic nature, or items outwith the agreed plan, must be referred to either the Executive committee or to Council.

The College wholly owns a subsidiary company, 2 Carlton House Terrace Limited, which undertakes certain trading activities. The directors of the company are the College's President, Treasurer and Chief Executive. College Council requires that the taxable profits of the company be paid to the College under gift aid.

Responsibilities of the Trustees

Council, as the trustees of the College, are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the College at the end of the financial year and of the surplus or deficit of the College for that period. In preparing these financial statements, Council have:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Followed applicable accounting standards;
- Prepared the financial statements on the going concern basis.

Council are responsible for ensuring proper accounting records are kept, which disclose with reasonable accuracy the financial position of the College. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as the trustees are aware, there is no relevant audit information of which the College's auditors are unaware. Additionally the trustees have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Risk management

Council has approved a risk management policy and process, and is responsible for overseeing risk management in the College as a whole and for determining the overall risk management appetite. A risk register has been established using specialist risk management software. Council policy is to review the risk register every year so as to ensure that the impact of financial, strategic, operational and business risks are minimised. Council has conducted a review of the major risks to which the College is exposed and satisfied themselves that systems or procedures have been established to mitigate those risks.

The Royal College of Pathologists

Report of the Trustees for the year ended 30 June 2013

Objectives & activities

The trustees have complied with the duty in the Charities Act 2011 to have due regard to guidance published by the Charity Commission, including public benefit guidance.

Public benefit statement

The College's mission is to promote excellence in the practice of pathology and to be responsible for maintaining standards through training, assessments, examinations and professional development, to the benefit of the public.

Pathology is the science at the heart of modern medicine, vital for the understanding, diagnosis and planning clinical management of disease. 70 – 80% of all health care decisions affecting diagnosis or treatment involve a pathology investigation. *(Department of Health, England. Report of the Review of NHS Pathology Services in England, chaired by Lord Carter of Coles, 2006.)*

Pathologists study the causes of disease and the ways in which disease processes affect our bodies. Recognising the patterns that disease takes allows us to understand what's at the root of a problem, enabling accurate diagnosis. Following up this understanding helps treatments to be devised and preventative measures to be put in place.

The fact that much pathology goes on behind the scenes may account for the fact that many people are almost unaware of its ongoing contributions to modern medicine. Without the work of pathologists there could be no firm answers, and improving or even maintaining the quality of medical care would be impossible.

The College's unique role ensures that high quality standards of knowledge and expertise are maintained in all areas relating to pathology. The College ensures that pathologists are qualified and up to date in their practice by:

- Setting standards for education and training in pathology
- Examining against these standards
- Providing a leading continuing professional development programme
- Running scientific seminars and expert workshops on a national and regional basis

The College looks after the interests of patients by:

- Working with organisations such as Lab Tests On-Line and Labs are Vital as a resource for patients to find out about the various clinical tests that are used in their diagnosis and treatment
- Ensuring lay representation on all major College committees
- Providing advice to pathologists and governments
- Producing guidelines and other documents that set standards of best practice

The College helps in the search for cures to disease via its research programme and is committed to strengthening the research base of the specialty. This is achieved through:

- Managing a portfolio of research fellowships and pilot awards.
- Awarding bursaries and prizes for research.
- Supporting fellows and trainees who undertake research activities as part of their day to day work

The Royal College of Pathologists

Report of the Trustees for the year ended 30 June 2013

Public benefit statement (continued)

The College has a public engagement project whose aims include inspiring secondary school students to learn about science through an innovative and creative programme focusing on health and disease. The goals of this programme are to:

- raise awareness of pathology and its crucial role in treating and curing disease
- increase interest in pathology as a career option
- contribute to the wider initiative of engaging the public in contemporary science
- support the teaching of science in secondary schools
- change attitudes towards science, in particular pathology

Activities

To achieve the objectives stated above, the significant activities undertaken by the College during the year under review can be broken down into the following areas:

Postgraduate education, examinations and assessments:

- The setting of standards for training in pathology, including issuing competency based curricula for chemical pathology, histopathology, medical microbiology and virology.
- Administering pathology training through the College Specialist Training Committees, who advise on all major issues relating to specialist training in pathology.
- Providing an on-line training portfolio to allow registered trainees to record their progress in training.
- Running the part 1 and part 2 examinations in the 19 pathology specialties.
- Running the Diploma examinations in forensic pathology, cytopathology and dermatopathology.
- Recommending individuals for the award of a Certificate of Completion of Training (CCT) to the General Medical Council (GMC) in chemical pathology, histopathology, medical microbiology and virology.
- Recommending to the GMC whether or not the training and/or qualifications and experience of pathologists applying to the specialist register under the Certificate of Equivalence of Specialist Registration (CESR) rules is equivalent in content and duration to that required for a CCT.
- Granting educational approval of programmes for training of senior house officers and specialist registrars which are approved by the GMC.
- Managing the sponsorship of international medical graduates for registration with the GMC.
- Responding to initiatives from the Department of Health and Modernising Medical Careers including foundation programmes and run through training.
- Establishing and running the programme of year 1 assessments and dealing with other workplace based assessments.
- Management of the process of admission to membership by published works.

Professional standards

- Providing a leading continuing professional development programme for the membership, that is additionally open to non-members.
- Providing guidance on best practice with regard to clinical audit and audit of individual performance. The provision of guidance on the maintenance of professional standards and working with the National Institute for Health and Care Excellence, National Patient Safety Agency and other organisations to contribute to national guidelines and audit.

The Royal College of Pathologists

Report of the Trustees for the year ended 30 June 2013

Activities (continued)

- Administration of the Professional Performance Panel dealing with problem cases in all disciplines of pathology, and the production of guidelines relating to professional performance.
- The production of guidelines on best practice, including the College's standards and minimum datasets for the reporting of common cancers.

Conferences and academic activities

- Management of the programme of in-house symposia designed to keep participants up to date with current thinking and practice in the pathology disciplines.

Advisory committees

- Much of the work of the College is achieved through sub committees. These activities manage and service the College's standing committees, specialty advisory committees, intercollegiate and joint committees, working parties, and the regional and devolved national councils.
- Standing committees deal with generic matters crossing all pathology specialties whilst the specialty advisory committees advise on specialty specific matters such as histopathology and microbiology, etc.
- Servicing the lay advisory committee so as to ensure lay involvement in the College decision making process.

Research

- The management of the College's programme of research fellowships, details of which are contained in the notes to the financial statements.

Workforce

- Approves job descriptions and oversees the College's statutory role in consultant advisory appointment committees.
- The collection of data on the pathology workforce and the provision of advice on workforce planning for the pathology specialties.

Communications and public engagement

- Production of the quarterly publication "The Bulletin" distributed to members and subscribers.
- Maintaining the College's web site, including the members' area, ensuring that it is up to date.
- Proactively handling media enquiries relating to pathology.
- Production of the monthly e-newsletter available to members.
- Production of a range of publications and guidelines on best practice in pathology.
- Running the public engagement programme.

Education centre

- The running of scientific meetings, symposia and training courses by third party organisers.
- Deals with all other College meetings and events.

Consultancy services

- The provision of consultancy services to NHS Trusts or commissioners where an authoritative independent review is required on the provision of high quality pathology services.

Volunteers

Many members give their time freely to help the College achieve its objects by attending committee meetings, sitting on working parties, acting as examiners, commenting on reports, acting in a local liaison capacity, assisting with the public engagement programme, or undertaking some other task or function on behalf of the College. Council is greatly indebted to these individuals for their commitment and support.

The Royal College of Pathologists

Report of the Trustees for the year ended 30 June 2013

Achievements & performance

The College produces a full Annual Report, which should be consulted for a much more detailed analysis of the achievements and performance of the College for the year to 30th June 2013. Items of significant note included the running of events for National Pathology Year throughout 2012, celebrating the College's golden anniversary. The level of activity exceeded the expectations of all those involved and the programme has been a great success.

Investment performance

The performance of the College's investment portfolio is independently benchmarked by the WM Company against their unconstrained charity universe. This universe represents the performance of UK charity funds with discretionary mandates. The portfolio returned a positive 7.2% in the calendar year to 31st December 2012 which outperformed the benchmark over a 5 year term by 0.5% and over a 10 year term by 0.2%.

Financial review

The College's income for the year amounted to £4,495,041. Subscription income of £2,521,350 still represents the largest single source of income. The number of College members has increased marginally from 10,535 at the beginning of the financial year to 10,712 at the year end.

The College's wholly owned subsidiary company, 2 Carlton House Terrace Limited, carries out trading activities on behalf of the College. Its areas of activity are the letting of rooms and associated catering income, and the provision of consultancy services, trading as RCPATH Consulting.

Income from room hire and catering amounted to £183,879, which was a small decrease over the prior year. Forward bookings are not as strong as in prior years as clients look at ways to reduce the number of meetings they hold.

RCPATH Consulting provides consultancy services where an authoritative independent view is required on the provision of high quality pathology services, advice on the commissioning or tendering of pathology services, advice on the reconfiguring of pathology services or advice as part of an option appraisal process. Income for the year was £73,998 with expenditure of £53,357. A marketing initiative will be undertaken in the ensuing year to attract further clients for this service.

Investment income and bank interest received continue to hold up well despite the low level of interest rates on offer. Active management of this area of operation ensures that we are taking advantage of the opportunities available with well known and regarded financial institutions. During the year the College received £47,384 as the final amount due from the Jean Shanks Foundation to support a research fellowship.

The College has been successful in being awarded a £735,850 grant to support the Labskills Africa project, which will be received over 24 months. The programme is funded through the Health Partnership Scheme which is funded by the UK Department for International Development and managed by the Tropical Health and Education Trust. This project is being lead by the College in partnership with the College of Pathologists of East, Central & Southern Africa and the British Division of the International Academy of Pathology to improve laboratory medicine services in Sub Saharan Africa.

Expenditure on communications and public engagement has risen, due to the costs of National Pathology Year and the College's 50th anniversary in 2012. These additional costs had been set aside in a designated fund from prior years. Additionally costs have been incurred on a licence to enable an electronic supplement to The Bulletin to be published, which will be launched in late 2013.

The Royal College of Pathologists

Report of the Trustees for the year ended 30 June 2013

Financial review (continued)

Workforce costs have increased as the pathology workforce database, which used to be hosted by the Clatterbridge Centre for Oncology, was transferred back to reside within College in house systems. Some one off set up costs were incurred in amending the College database and in migrating the data. The College will have more control and flexibility over data collection and reporting as a result.

Reserves

Council has established a reserves policy, whereby the unrestricted funds not committed or invested in tangible fixed assets, or designated for specific purposes (the 'free reserves') held by the College, should normally be sufficient to allow the College to operate without income for up to 18 months. This level of reserves is essential, because our income is not guaranteed and can be subject to significant fluctuations year on year.

The College's reserves ensure that short term changes in revenue will not materially affect the College's activities, secures the long term funding of the College and enables the College to meet its duties under statute and its Royal Charter to promote standards of education and practice of pathology. This level of reserves would also enable the College to address any unforeseeable ad-hoc expenditure arising from topical issues in pathology, which the College feels should be addressed. At 30th June 2013 the level of free reserves of £4.3 million equated to just over 12 months income cover.

Designated funds

Designated funds are funds set aside by Council out of unrestricted general funds for specific future purposes or projects, and are excluded from the value of the College's free reserves. An explanation of the College's designated funds is given in note 20 to these accounts.

Investment policy and objectives

Council may invest funds of the College in such stocks, funds, shares, or securities and other investments within the United Kingdom or elsewhere as Council sees fit, provided that Council is satisfied that such investment is not speculative, and will not expose such monies and other investments to undue risk. Council is restricted from investing in companies directly engaged in the supply or sale of tobacco or whose activities include a significant component of arms manufacture or sales.

Council's investment policy is to maximise the return on investments taking the medium to long-term view with a moderate level of risk. The capital value of the portfolio should be protected in line with the following 2 objectives: Annually to beat the benchmark as calculated by the WM Company for their unconstrained charity universe, and to generate an annual rate of return of inflation, as defined by the RPI, plus 3% over a 5 year basis after expenses.

Auditors

A resolution will be proposed at the Annual General Meeting that Messrs Coulthards Mackenzie be re-appointed as auditors to the College for the ensuing year.

The Royal College of Pathologists
Report of the Trustees for the year ended 30 June 2013

Plans for future periods

The College will continue to undertake the work as set out above in the objectives and activities section. The College's forward plan 2013 – 2015 contains 100 objectives to be undertaken during this period, some highlights of which are below.

The College has entered into a joint sale and marketing agreement for the building at 2 Carlton House Terrace with the freeholder, which it is hoped will be marketed in the second half of the coming financial year. Subject to an acceptable offer being received the College will be looking to relocate its premises elsewhere in Central London. Advisors have been retained and an alternative property search will commence once certainty over the potential sale price that can be achieved is known.

The pathology workforce database was migrated back from an outsourced hosted supplier to be part of the main College database during the year. Work will be undertaken during the coming financial year to encourage as many pathologists to review and enter their details so that accurate data can be presented to workforce planners.

We will develop a cross College programme of policy and advocacy work aimed at raising awareness and understanding about the role and contribution of pathology to health systems and a plan for engagement of policy makers, influential thinkers, potential allies and opinion formers that maximises influence over key choices affecting the provision of pathology.

We will be undertaking the work to launch and develop the national laboratory medicine catalogue, which will introduce a unified system of coding for laboratory tests, which will facilitate communications between systems for laboratory medicine. We will be developing a new simple demand management guidance document for submission as part of the redrafted national pathology commissioning toolkit and in addition we will develop a comprehensive demand management strategy and national multi-disciplinary toolkit incorporating full minimum retesting guidance for all disciplines of pathology.

We will be creating an educational portal on the College's web site to enable access to trainees and fellows of e-learning resources across the major specialties. This will support the learning objectives of the College's curricula as well as supporting individual revalidation. We are aiming to broker consensus with UK medical schools and the GMC on teaching pathology to medical undergraduates to ensure wider understanding of the role and value of pathology and to encourage others to follow a career in the discipline.

We will continue developing processes and structures for training medical examiners of the cause of death to support the training of individuals taking up these new roles and to support their professional development.

We will be developing an implementation plan for the College's 'pathology is global' international strategy, which will include the development of a fundraising and communications plan. We will be increasing our involvement with the College's overseas members and promoting the work of the college internationally, and will work with the College of Pathologists of East, Central & Southern Africa and the British Division of the International Academy of Pathology to deliver the Labskills Africa management and improvement programme in accordance with the agreed timeline.

The College has recently established a clinical effectiveness department and a work plan will be produced in the coming year for Council's approval. We will be launching a College owned open access journal for the pathology profession.

The Royal College of Pathologists
Report of the Trustees for the year ended 30 June 2013

Plans for future periods (continued)

The governance & implementation working group (GIWG) has made recommendations to Council on changes to the constitution and governance arrangements of the College. We hope to secure Privy Council approval to these changes in the coming year and will hold a General Meeting to approve these changes before implementing the proposals. This will involve changes to the way in which the honorary officers are elected, an new regional structure for England, a review of College committees, and the establishment of a Trustee Board which will take over the governance and management duties of Council, leaving Council to be responsible for all matters relating to the practice of pathology. Part of this review will be to identify how best to optimise the capacity of the College to support electronic ways of working.

Approved by Council and signed on their behalf by:



Dr Archie Prentice
President

12 September 2013

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

We have audited the financial statements of The Royal College of Pathologists for the year ended 30 June 2013 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Trustees, as a body, in accordance with section 151 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 College'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 College and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditors

As explained more fully in the Trustee's Responsibility Statement the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. This includes an assessment of whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant estimates made by Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

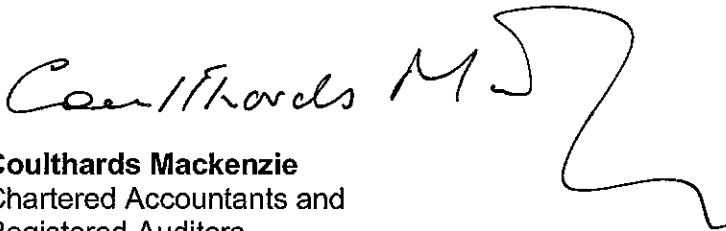
- give a true and fair view of the state of affairs of the College and its subsidiary as at 30 June 2013, and of their incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Independent Auditor's report to the Trustees of
The Royal College of Pathologists**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial records 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.


Coulthards Mackenzie
Chartered Accountants and
Registered Auditors

9 Risborough Street
London
SE1 0HF
12 September 2013

The Royal College of Pathologists
Consolidated Statement of Financial Activities for the year ended 30 June 2013

	Note	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Total 30 June 2013 £	Total 30 June 2012 £
Incoming resources						
Incoming resources from generated funds						
Investment income	3	158,927	-	14,049	172,976	137,913
Donations & legacies	4	9,748	-	-	9,748	16,521
Trading operations	2	257,877	-	-	257,877	242,351
Other income		17,934	-	-	17,934	31,386
Incoming resources from charitable activities						
Subscriptions		2,521,350	-	-	2,521,350	2,309,667
Postgraduate education & examinations		1,087,868	-	-	1,087,868	1,000,782
Conferences & academic activities		141,908	-	-	141,908	141,501
Research		-	-	47,382	47,382	138,401
Professional standards		34,469	-	32,050	66,519	32,497
International development		14,195	-	140,000	154,195	1,400
Intercollegiate human nutrition course		-	-	3,290	3,290	2,000
Project income		-	-	-	-	103,700
Communications & public engagement		6,494	-	7,500	13,994	9,456
Total incoming resources		4,250,770	-	244,271	4,495,041	4,167,575
Resources expended						
Cost of generating funds						
Fundraising trading: cost of goods sold and other costs		1,199	-	-	1,199	1,033
Trading operations	2	239,687	-	-	239,687	230,807
Charitable activities						
Postgraduate education & examinations		1,232,678	-	26,869	1,259,547	1,217,851
Research		-	-	47,383	47,383	329,074
Communications & public engagement		717,361	-	6,888	724,249	639,515
Professional standards		394,940	-	21,974	416,914	414,519
Conferences & academic activities		166,297	-	-	166,297	160,780
Education centre		177,258	-	-	177,258	187,923
Advisory committees		327,107	-	-	327,107	274,705
Workforce		289,890	-	-	289,890	268,858
International development		182,483	-	42,714	225,197	92,028
Intercollegiate human nutrition course		-	-	17,081	17,081	14,566
Clinical leadership in pathology		-	-	95,243	95,243	278,580
Project expenditure		-	-	130,076	130,076	202,756
Governance costs	5	100,433	-	-	100,433	92,008
Total resources expended	7	3,829,333	-	388,228	4,217,561	4,405,003
Net incoming / (outgoing) resources before transfers						
		421,437	-	(143,957)	277,480	(237,428)
Gross transfers between funds	19	(356,900)	416,041	(59,141)	-	-
Net incoming / (outgoing) resources before other recognised gains and losses						
		64,537	416,041	(203,098)	277,480	(237,428)
Gains / (losses) on investment assets	13	349,786	-	27,158	376,944	(97,680)
Net movement in funds		414,323	416,041	(175,940)	654,424	(335,108)
Total funds brought forward		9,652,489	2,398,772	989,726	13,040,987	13,376,095
Total funds carried forward	19	10,066,812	2,814,813	813,786	13,695,411	13,040,987


The notes on pages 16 to 26 form part of these accounts.

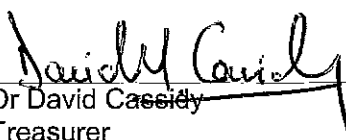
The Royal College of Pathologists
Consolidated Balance Sheet as at 30 June 2013

	Note	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Total 30 June 2013 £	Total 30 June 2012 £
Tangible fixed assets	12	5,791,936	-	-	5,791,936	6,002,698
Investments	13	1,997,717	2,436,162	171,734	4,605,613	3,529,585
Total fixed assets		<u>7,789,653</u>	<u>2,436,162</u>	<u>171,734</u>	<u>10,397,549</u>	<u>9,532,283</u>
Current assets						
Stocks	14	16,567	-	-	16,567	22,971
Debtors	15	236,905	-	15,794	252,699	270,269
Cash at bank and in hand		4,219,859	378,651	699,324	5,297,834	5,274,603
Total current assets		<u>4,473,331</u>	<u>378,651</u>	<u>715,118</u>	<u>5,567,100</u>	<u>5,567,843</u>
Creditors						
Amounts falling due within one year	16	(2,146,172)	-	(73,066)	(2,219,238)	(2,004,795)
Net current assets		<u>2,327,159</u>	<u>378,651</u>	<u>642,052</u>	<u>3,347,862</u>	<u>3,563,048</u>
Total assets less current liabilities		<u>10,116,812</u>	<u>2,814,813</u>	<u>813,786</u>	<u>13,745,411</u>	<u>13,095,331</u>
Creditors: Amounts falling due after more than one year	16	-	-	-	-	(29,344)
Provisions for liabilities and charges	18	(50,000)	-	-	(50,000)	(25,000)
Net assets		<u>10,066,812</u>	<u>2,814,813</u>	<u>813,786</u>	<u>13,695,411</u>	<u>13,040,987</u>
The funds of the College:						
Unrestricted funds	21	10,066,812	2,814,813	-	12,881,625	12,051,261
Restricted Funds	21	-	-	813,786	813,786	989,726
Total College funds		<u>10,066,812</u>	<u>2,814,813</u>	<u>813,786</u>	<u>13,695,411</u>	<u>13,040,987</u>

The notes on pages 16 to 26 form part of these accounts.

The financial statements were approved by Council on 12th September 2013 and signed on behalf of Council by


Dr Archie Prentice
President



Dr David Cassidy
Treasurer

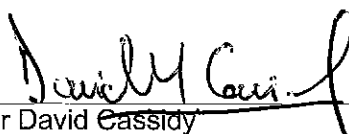
**The Royal College of Pathologists
Balance Sheet as at 30 June 2013**

	Note	Unrestricted General Funds £	Unrestricted Designated Funds £	Restricted Funds £	Total 30 June 2013 £	Total 30 June 2012 £
Tangible fixed assets	12	5,791,936	-	-	5,791,936	6,002,698
Investments	13	1,997,817	2,436,162	171,734	4,605,713	3,529,685
Total fixed assets		<u>7,789,753</u>	<u>2,436,162</u>	<u>171,734</u>	<u>10,397,649</u>	<u>9,532,383</u>
Current assets						
Stocks	14	16,567	-	-	16,567	22,971
Debtors	15	215,912	-	15,794	231,706	256,675
Cash at bank and in hand		4,214,209	378,651	699,324	5,292,184	5,256,431
Total current assets		<u>4,446,688</u>	<u>378,651</u>	<u>715,118</u>	<u>5,540,457</u>	<u>5,536,077</u>
Creditors						
Amounts falling due within one year	16	(2,119,629)	-	(73,066)	(2,192,695)	(1,973,129)
Net current assets		<u>2,327,059</u>	<u>378,651</u>	<u>642,052</u>	<u>3,347,762</u>	<u>3,562,948</u>
Total assets less current liabilities		<u>10,116,812</u>	<u>2,814,813</u>	<u>813,786</u>	<u>13,745,411</u>	<u>13,095,331</u>
Creditors: Amounts falling due after more than one year	16	-	-	-	-	(29,344)
Provisions for liabilities and charges	18	(50,000)	-	-	(50,000)	(25,000)
Net assets		<u>10,066,812</u>	<u>2,814,813</u>	<u>813,786</u>	<u>13,695,411</u>	<u>13,040,987</u>
The funds of the College:						
Unrestricted funds	21	10,066,812	2,814,813	-	12,881,625	12,051,261
Restricted Funds	21	-	-	813,786	813,786	989,726
Total College funds		<u>10,066,812</u>	<u>2,814,813</u>	<u>813,786</u>	<u>13,695,411</u>	<u>13,040,987</u>

The notes on pages 16 to 26 form part of these accounts.

The financial statements were approved by Council on 12th September 2013 and signed on behalf of Council by


Dr Archie Prentice
President


Dr David Cassidy
Treasurer

The Royal College of Pathologists
Notes to the Financial Statements as at 30 June 2013

1. Accounting policies

(a) Basis of accounts preparation

These accounts are prepared under the Charities Act 2011 on the historical cost convention as modified by the adoption of market value for investment assets and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP issued in March 2005.

(b) Consolidated accounts

Consolidated accounts have been prepared for the College and its related undertaking 2 Carlton House Terrace Limited. Details of the relationship is given in note 13. The results are consolidated on a "line by line" basis for the subsidiary undertaking.

In accordance with paragraph 397 of the Charities SORP 2005 a statement of financial activities for the parent charity has not been prepared since the separate results for the College can be clearly identified.

(c) Incoming resources

Income is included on a receivable basis. Income from subscriptions, trainee registration and fees for participation in the continuing professional development scheme are recognised in the accounting period to which the services covered by those fees relate. Fees received in advance are accounted for as deferred income within creditors.

Income from examinations and conferences & academic activities are included in the accounting period in which the examination or conference takes place.

(d) Resources expended

Resources expended are included on an accruals basis inclusive of any VAT which cannot be recovered. Expenditure has been classified under headings that aggregate all costs related to the category. Where costs cannot be attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Note 10 to these accounts details the method of allocation of such costs.

Staff costs, where attributable to more than one area of activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

(e) Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the time of the transaction. No balances are held in foreign currencies.

(f) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 are capitalised. Depreciation is provided for on all fixed assets at rates calculated to write off their cost evenly as follows:

Leasehold land and buildings	over the period of the lease
Furniture and office equipment	over 4 to 5 years
Computer equipment	over 2 to 3 years

As explained in note 12, heritage assets have not been capitalised or depreciated as no reliable value can be attributed.

(g) Stocks

These are stated at the lower of cost and net realisable value.

(h) Funds accounting

Funds held by the College are:

Unrestricted general funds - these are funds which can be used in accordance with the charitable objects at the discretion of Council. *Designated funds* - these are funds set aside by Council out of unrestricted general funds for specific future purposes or projects. *Restricted funds* - these are funds that can only be used for particular restricted purposes within the objects of the College. Restrictions arise when specified by the donor or where funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

The Royal College of Pathologists
Notes to the Financial Statements as at 30 June 2013

(i) Research Grants

Grants payable and receivable are recognised in the statement of financial activities in the period to which the grant relates and where conditions relating to the grant have been fulfilled.

(j) Fixed asset investments

Fixed asset investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities.

(k) Pension scheme

The College participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme and is contracted-out of the Second State Pension. SAUL is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in SAUL, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation. A formal valuation of SAUL is carried out every three years by professionally qualified and independent actuaries using the Projected Unit method. Informal reviews of SAUL's position are carried out in the period between formal valuations.

(l) Governance costs

Governance costs include the costs associated with the meetings of Council and the Executive committee, the cost of the statutory audit and the Investment Manager's fee.

2. Trading income and expenditure

2 Carlton House Terrace Limited

The College owns 100% of 2 Carlton House Terrace Limited, whose main activities are to undertake various trading activities of the College. The company undertakes the hiring of rooms and facilities at 2 Carlton House Terrace on behalf of the College. It also licenses the College's standards and minimum datasets for reporting common cancers to third party laboratory information management systems software suppliers. Additionally, the company supplies consultancy services under the trading name of RCPPath Consulting. It will donate its taxable profits to the College under gift aid. Trading results extracted from its audited accounts are as follows:

	2013	2012
	£	£
Profit & Loss account		
Turnover	257,877	242,351
Cost of sales and administrative expenses	239,687	230,807
Net profit	18,190	11,544
Payable under gift aid to The Royal College of Pathologists	18,190	11,544
Profit retained in 2 Carlton House Terrace Limited	Nil	Nil
Balance sheet		
	2013	2012
	£	£
Debtors	43,931	52,656
Cash at bank	5,649	18,172
	49,580	70,828
Creditors: amounts falling due within one year	(49,480)	(70,728)
Net assets	100	100
Share capital	100	100
Profit and loss account	-	-
Capital and reserves at 30 June	100	100

The Royal College of Pathologists
Notes to the Financial Statements as at 30 June 2013

3. Investment income

	Unrestricted Funds £	Restricted Funds £	2013 £	2012 £
Bank deposit interest	62,366	8,751	71,117	61,731
Income from UK listed investments	84,430	5,298	89,728	64,432
Income from overseas listed investments	12,131	-	12,131	11,750
	<u>158,927</u>	<u>14,049</u>	<u>172,976</u>	<u>137,913</u>

4. Donations & Legacies

	2013 £	2012 £
Legacy income	-	500
College members	5,817	13,082
Other donations	3,931	2,939
	<u>9,748</u>	<u>16,521</u>

5. Governance costs

	2013 £	2012 £
Trustee expenses	68,679	69,853
Staff costs	9,046	7,046
Investment management fees	4,227	-
Auditor's remuneration	7,197	7,375
Premises and related costs	7,940	4,389
Costs of meetings	3,344	3,345
	<u>100,433</u>	<u>92,008</u>

6. Staff costs

	2013 £	2012 £
The total cost of salaries and wages were		
Salaries and wages	1,595,369	1,466,313
Social security costs	137,055	123,566
Pension costs	191,399	180,311
Other staff costs	21,874	19,234
	<u>1,945,697</u>	<u>1,789,424</u>

Reimbursed expenses, which are all subject to the College's processes of internal controls, do not form part of remuneration and are not included above.

Included in the above are costs of £500 (2012 - £12,127) relating to agency staff, which are also included in the staff numbers below.

The average number of full time equivalent employees for the year, analysed by activity was as follows:

	2013 No.	2012 No.
Postgraduate education & examinations	14.5	14.0
Conferences & academic activities	1.5	1.5
Professional standards	6.0	5.6
Advisory committees	3.7	2.9
Communications & public relations	8.7	7.9
Workforce	3.1	3.0
Education centre	3.8	3.8
International development	1.7	0.8
	<u>42.9</u>	<u>39.5</u>

The Royal College of Pathologists
Notes to the Financial Statements as at 30 June 2013

6. Staff costs (continued)

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2013 No.	2012 No.
£80,001 - £90,000	-	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

Contributions were made to a defined benefit pension scheme amounting to £14,508 (2012 - £24,538) in respect of the staff noted above.

7. Total resources expended

	Direct Costs £	Staff Costs £	Support Costs £	Total 2013 £	Total 2012 £
Fundraising trading: costs of goods sold	1,199	-	-	1,199	1,033
Trading operations	135,434	74,955	29,298	239,687	230,807
Postgraduate education & examinations	381,690	622,982	254,875	1,259,547	1,217,851
Research	47,383	-	-	47,383	92,028
Communications & public engagement	226,138	387,476	110,635	724,249	329,074
Professional standards	61,202	278,559	77,153	416,914	639,515
Conferences & academic activities	47,808	68,132	50,357	166,297	414,519
Education centre	27,202	67,339	82,717	177,258	159,982
Advisory committees	76,456	172,097	78,554	327,107	188,721
Workforce	68,294	163,400	58,196	289,890	274,705
International development	87,577	101,711	35,909	225,197	268,858
Intercollegiate human nutrition course	17,081	-	-	17,081	14,566
Clinical leadership in pathology	95,243	-	-	95,243	278,580
Project expenditure	130,076	-	-	130,076	202,756
Governance	83,448	9,046	7,939	100,433	92,008
Total for the year ended 30 June 2012	1,486,231	1,945,697	785,633	4,217,561	4,405,003
Total for the year ended 30 June 2011	1,784,097	1,789,424	831,482	4,405,003	

Included within support costs are the following items:	2013 £	2012 £
Depreciation	256,517	278,499
Auditor's remuneration - external audit	7,197	7,375
Auditor's remuneration - payroll bureau services	4,081	3,569
Trustee liability indemnity insurance	1,018	898

Travel and subsistence costs incurred amounting to £71,764 (2012 - £77,105) were reimbursed to 30 (2011 - 30) members of Council.

8. Related party transactions

The College's trading subsidiary, 2 Carlton House Terrace Limited, under the trading name of RCPATH Consulting, provides consultancy services where an authoritative independent view is required on the provision of high quality pathology services, advice on the commissioning or tendering of pathology services, advice on the reconfiguring of pathology services or advice as part of an option appraisal process. A panel of suitably qualified advisors has been recruited following an open recruitment process available to all individuals who meet the person specification. The process for recruitment of advisors includes the completion of an application form and a panel interview. Not all applicants are successful. The panel of advisors includes some current or former trustees of the College and the amounts paid to such advisors was as follows:

		2013 £	2012 £
Dr Rachael Liebmann	Trustee	6,738	1,750
Dr Craig Webster	Trustee	6,300	4,550
Prof Timothy Stephenson	Trustee	3,150	-
Prof Peter Furness	Former trustee	3,150	-
Prof Adrian Newland	Former trustee	3,500	-
Dr Timothy Wreghitt	Former trustee	-	1,750

Apart from the amounts indicated above, trustees received no remuneration (2012 - £Nil).

The Royal College of Pathologists
Notes to the Financial Statements as at 30 June 2013

9. Pensions

The College participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate trustee administered funds. The College has now adopted FRS17 for accounting for pension costs. It is not possible to identify the College's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 8-12 of FRS17.

SAUL is subject to triennial valuation by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2011 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The main assumptions used to assess the technical provisions were:

Discount rate - pre-retirement	6.80% p.a.
- post retirement	4.70% p.a.
General * salary increases	3.75% p.a. until 31 March 2014, 4.50% p.a. thereafter
Retail Prices Index inflation ("RPI")	3.50% p.a.
Consumer Prices Index inflation ("CPI")	2.80% p.a.
Pension Increases in payment (excess over GMP)	2.80% p.a.
Mortality - base table	SAPS Normal (year of birth) tables with an age rating of +0.5 years for males and -0.4 years for females.
Mortality - future improvements	Future improvements in line with CMI 2010 projections with a long term trend rate of 1.25% p.a.

* an additional allowance is made for promotional salary increases

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of the scheme's assets was £1,506 million representing 95% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustee's long-term investment strategy, the Trustee and the Employers agreed to maintain the Employer and Member contributions at 13% of salaries and 6% of salaries respectively following the valuation. The above rates will be reviewed when the results of the next formal valuation (as at 31 March 2014) are known.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS17 revealed SAUL to be in deficit at the last formal valuation date (31 March 2011). As part of this valuation, the Trustee and Employer have agreed that no additional contributions will be required to eliminate the current shortfall.

The more material changes (the introduction of a Career Average Revalued Earnings, or "CARE", benefit structure) to SAUL's benefit structure will apply from 1 July 2012. As a consequence, the cost of benefit accrual is expected to fall as existing final salary members are replaced by new members joining the CARE structure. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall. Based on conditions at 31 March 2011, the shortfall is expected to be eliminated by 31 March 2021, which is 10 years from the valuation date.

10. Allocation of costs

Support costs as per note 7 above, can be broken down by activity, as follows:

	Information technology £	Finance £	Secretariat £	Premises £	Total £
Trading operations	2,612	2,151	1,770	22,765	29,298
Postgraduate education & examinations	40,997	33,777	27,814	152,287	254,875
International development	6,270	5,159	4,249	20,231	35,909
Conferences & academic activities	4,192	3,466	2,856	39,843	50,357
Professional standards	19,293	15,881	13,077	28,902	77,153
Advisory committees	9,313	7,658	6,306	55,277	78,554
Communications & public relations	16,139	13,301	10,953	70,242	110,635
Workforce	12,244	10,077	8,297	27,578	58,196
Education centre	7,368	6,072	5,000	64,277	82,717
Governance	0	0	0	7,939	7,939
Total support costs					785,633

The basis of allocation of support costs is as follows:

Information technology costs have been allocated on the basis of the number of computers used by each department. Finance costs and Secretariat costs have been allocated on the basis of the headcount. Premises costs have been allocated on a floor area basis for buildings related expenses and on the basis of the headcount for all other costs. Also included in the premises allocation is the notional charge for internal hire of College rooms by functional departments.

The Royal College of Pathologists
Notes to the Financial Statements as at 30 June 2013

10. Allocation of costs (continued)

Salary costs as per note 7 above can be further analysed as follows:

	Directly Attributable £	HR, Payroll & IT £	Finance £	Secretariat £	Premises £	Total £
Trading operations	48,945	6,922	10,243	6,574	2,271	74,955
Postgraduate education & examinations	440,028	51,794	70,533	44,101	16,526	622,982
International development	70,969	8,652	11,888	7,410	2,792	101,711
Conferences & academic activities	47,374	5,876	8,002	5,004	1,876	68,132
Professional standards	202,633	21,539	29,238	18,302	6,847	278,559
Advisory committees	126,251	12,974	17,678	11,051	4,143	172,097
Communications & public relations	269,403	33,361	45,567	28,462	10,683	387,476
Workforce	122,282	11,669	15,831	9,911	3,707	163,400
Education centre	43,972	6,219	9,202	5,906	2,040	67,339
Governance	8,995	31	8	12	-	9,046
Total salary costs						<u>1,945,697</u>

The basis of allocation of salary costs is as follows:

Information technology costs have been allocated on the basis of the number of computers used by each department.

Finance costs, secretariat costs, premises costs and HR & payroll costs have been allocated on the basis of the headcount.

11. Taxation

As a registered charity the College is exempt from corporation tax since all income is applied for charitable purposes.

12. Tangible fixed assets

Group and College	Leasehold Land & Buildings £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1 July 2012	6,923,219	989,057	7,912,276
Additions	-	45,755	45,755
Disposals	-	(7,602)	(7,602)
At 30 June 2013	<u>6,923,219</u>	<u>1,027,210</u>	<u>7,950,429</u>
Depreciation			
At 1 July 2012	1,078,499	831,079	1,909,578
Provided in year	101,936	154,581	256,517
Disposals	-	(7,602)	(7,602)
At 30 June 2013	<u>1,180,435</u>	<u>978,058</u>	<u>2,158,493</u>
Net book value At 30 June 2013	<u>5,742,784</u>	<u>49,152</u>	<u>5,791,936</u>
Net book value At 30 June 2012	<u>5,844,720</u>	<u>157,978</u>	<u>6,002,698</u>

Heritage assets

In addition to the capitalised fixed assets held for the Charity's own use, the College also has a number of assets on trust for retention in perpetuity as a permanent record of the College's history. These comprise a unique collection of paintings depicting the College's 15 Presidents since its founding in 1962, together with many other artefacts whose intrinsic value is also bound up with the College's history. These are irreplaceable originals to which no reliable cost or value can be attributed and accordingly these assets have not been capitalised in the financial statements.

The Royal College of Pathologists
Notes to the Financial Statements as at 30 June 2013

13. Analysis of movement of investments

	Group		College	
	2013	2012	2013	2012
	£	£	£	£
Market value at 1 July 2012	3,529,584	3,056,980	3,529,684	3,057,080
Additions at cost	1,079,771	1,084,911	1,079,771	1,084,911
Disposals at market value	(380,686)	(514,626)	(380,686)	(514,626)
Net gain / (loss) on revaluation	376,944	(97,680)	376,944	(97,680)
Market value at 30 June 2013	4,605,613	3,529,585	4,605,713	3,529,685
Historical cost at 30 June 2013	3,570,639	2,778,903	3,570,739	2,779,003
Investments at market value comprised:				
UK listed fixed interest securities	616,736	552,373	616,736	552,373
UK listed equity shares	1,242,906	874,624	1,242,906	874,624
UK listed investment trusts and unit trusts	2,247,193	1,667,610	2,247,193	1,667,610
Overseas listed fixed interest securities	161,312	160,843	161,312	160,843
Overseas listed investment trusts and unit trusts	337,466	274,135	337,466	274,135
Unlisted investments	-	-	100	100
Market value as at 30 June 2013	4,605,613	3,529,585	4,605,713	3,529,685

Investments in individual entities which are over 5% of the value of the portfolio are:

	2013	2012
	£	£
Cazenove Absolute Total Return Fund for Charities	250,874	232,824
UK Government 4.125% Index Linked 22/07/2030	204,784	206,558

Unlisted investments at cost comprise:

	2013	2012
	£	£
2 Carlton House Terrace Limited - 100 ordinary shares of £1 each	100	100
	100	100

The College owns 100% of the ordinary share capital of 2 Carlton House Terrace Limited which has been consolidated as a subsidiary undertaking throughout.

14. Stocks

Group and College	2013	2012
	£	£
Memorabilia for resale	10,079	12,643
Wines	6,488	10,328
	16,567	22,971

15. Debtors

	Group		College	
	2013	2012	2013	2012
	£	£	£	£
Prepayments	80,515	65,095	80,515	65,095
Other debtors	172,184	205,174	128,253	152,517
Amounts due from subsidiary undertaking	-	-	22,938	39,063
	252,699	270,269	231,706	256,675

The Royal College of Pathologists
Notes to the Financial Statements as at 30 June 2013

16. Creditors

	Group		College	
	2013	2012	2013	2012
	£	£	£	£
Amounts falling due within one year				
Deferred income (note 17)	1,653,100	1,457,147	1,653,100	1,457,147
Trade Creditors	148,123	165,070	148,123	134,922
Other creditors	221,982	210,890	210,619	210,890
Taxation and social security	44,071	38,976	44,071	38,976
Accruals	151,962	132,712	136,782	131,194
	<u>2,219,238</u>	<u>2,004,795</u>	<u>2,192,695</u>	<u>1,973,129</u>
Amounts falling due after more than one year				
Other creditors	<u>-</u>	<u>29,344</u>	<u>-</u>	<u>29,344</u>

17. Deferred income

Group and College	2013	2012
	£	£
Balance at 1 July 2012	1,457,147	1,450,260
Amount released to incoming resources	(1,457,147)	(1,450,260)
Amount deferred in the year	1,653,100	1,457,147
Balance as at 30 June 2013	<u>1,653,100</u>	<u>1,457,147</u>

Deferred income comprises income from subscriptions, trainee registration, examinations, conferences and continuing professional development, received in advance, that will form part of incoming resources during the following financial year.

18. Provisions for liabilities and charges

Group and College	2013	2012
	£	£
Commitments outstanding at the start of the year	25,000	-
New commitments charged to the SOFA during the year	25,000	25,000
Released to creditors falling due within one year	-	-
Amount of commitments at 30 June 2013	<u>50,000</u>	<u>25,000</u>
Timing of commitments		
Commitments payable after one year	50,000	25,000
Amount of commitments at 30 June 2013	<u>50,000</u>	<u>25,000</u>

The above liability relates to the external decoration of the College's leasehold premises, which is undertaken every four years as a requirement of the lease. The works are organised and managed by the freeholder's agent and are therefore outside the scope and control of the College. Amounts charged to the SOFA are to spread the cost of this work evenly over a four year period.

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19. Total Funds Group and College	Balance at 1 July 2012 £	Incoming Resources £	Outgoing Resources £	Transfers £	Gains and Losses £	Balance at 30 June 2013 £
<i>Restricted funds</i>						
Research Pool Fund	46,384	49,848	(47,383)	-	-	48,849
Oliver Memorial Fund	80,158	2,786	(700)	-	14,690	96,934
Intercollegiate Group on Nutrition Fund	13,705	3,376	(17,081)	-	-	-
Bhagwan Singh Fund	36,116	1,401	(5,000)	-	3,856	36,373
Flynn Lecture Fund	31,881	583	(96)	-	5,804	38,172
Kohn Memorial Fund	29,886	949	(596)	-	2,808	33,047
Developmental Pathology Fund	16,121	199	(96)	-	-	16,224
National Laboratory Medicine Catalogue Fund	233,473	2,946	(30,904)	(2,925)	-	202,590
Medical Examiner Training Fund	103,399	1,271	(8,134)	-	-	96,536
Revalidation Fund	51,979	32,050	(21,974)	(40,039)	-	22,016
CPA Trust Fund	12,317	151	-	-	-	12,468
Medical Devices Fund	25,000	-	-	-	-	25,000
Death Certification Project Fund	116,667	1,185	(91,038)	-	-	26,814
Clinical Leadership in Pathology Fund	94,684	-	(95,243)	559	-	-
Collaborative Project Fund	15,000	-	-	-	-	15,000
HSST Curricula Project	80,750	-	(26,869)	(16,736)	-	37,145
Labskills Africa Fund	-	140,000	(42,714)	-	-	97,286
Public Engagement Fund	-	7,500	-	-	-	7,500
Furness Prize Fund	2,206	26	(400)	-	-	1,832
	989,726	244,271	(388,228)	(59,141)	27,158	813,786
<i>Unrestricted Funds</i>						
Designated Leasehold Replacement Fund	2,111,162	-	-	325,000	-	2,436,162
Designated National Pathology Workforce Database Fund	12,000	-	-	(12,000)	-	-
Designated Cancer Reporting Fund	-	-	-	100,000	-	100,000
Designated International Fund	63,625	-	-	96,000	-	159,625
Designated Public Engagement Fund	211,985	-	-	(92,959)	-	119,026
General unrestricted fund	9,652,489	4,250,770	(3,829,333)	(356,900)	349,786	10,066,812
Total Funds	13,040,987	4,495,041	(4,217,561)	-	376,944	13,695,411

An explanation as to the nature of the restricted and designated funds is given in note 20 to these accounts.

20. Restricted and designated funds

The Research Pool Fund was established in 1995 to promote research in pathology. During the year £47,383 (2012 - £68,401) was expended on the Jean Shanks Foundation Fellowship held by Dr Daniel Royston at the University of Oxford.

The Oliver Memorial Fund was established to perpetuate the name of Percy Lane Oliver, by providing an annual national award for service to blood transfusion, and for the furtherance of knowledge relating to the principles and practices of blood transfusion.

The Intercollegiate Group on Nutrition Fund was established in 1998 to develop materials for the postgraduate course in human nutrition. The administration of this fund was passed to the Academy of Medical Royal Colleges during the year.

The Bhagwan Singh Fund was established in 1982 to sponsor occasional visits between the UK and Malaysia, to promote Malaysian pathology. The grant expended will support the renal histopathology update conference to be held in Malaysia in 2014. Dr Stewart Fleming has been proposed as the Bhagwan Singh travelling fellow to attend and lecture at this meeting.

The Flynn Lecture Fund was established in 1998 to fund an annual lecture in clinical biochemistry. The 2013 lecture was given by Anders Nordstrom at the April meeting of the Association for Clinical Biochemistry.

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20. Restricted and designated funds (continued)

The Kohn Memorial Fund was established in 1987 to fund an annual lecture mainly in clinical biochemistry. The 2012 lecture was given by Laurence Patterson at the November meeting of the British Society of Toxicological Pathologists.

The Developmental Pathology Fund was established in July 2004 as a gift from the Developmental Pathology Society to fund an occasional named "Emery" lecture in paediatric pathology. The 2013 lecture was given by Mechtild Vennemann at the Development Pathology conference in June.

The National Laboratory Medicine Catalogue Fund was established to facilitate the creation of a national laboratory medicine catalogue, which will introduce a unified system of coding for laboratory tests, that will facilitate communications between systems for laboratory medicine. It is supported by grant in aid from the Department of Health (England). The transfer represents expenditure made from the general fund during the year.

The Medical Examiner Training Fund was established by grant in aid from the Department of Health (England) to support the development of e-learning materials for medical examiners of the cause of death.

The Revalidation Fund was established to undertake various projects in relation to aspects of revalidation. The transfer represents expenditure made from the general fund during the year.

The CPA Trust Fund was established on the winding up of the CPA Trust Limited. Its remaining assets were gifted to the College to operate, organise and promote education and/or training into all areas of quality and efficiency in medical laboratories, with particular reference to pathology laboratories and to provide funding for pilot external quality assurance schemes which are designed to promote and develop efficiency, quality and standards in medical laboratories.

The Medical Devices Fund was established to fund the provision of electronic learning for pathology trainees, and was supported by grant in aid from the Department of Health (England).

The Death Certification Project Fund was established by grant in aid from the Department of Health (England) to fund the costs of the project management of the revision to the death certification system.

The Clinical Leadership in Pathology Fund was established by grant in aid funding from the Department of Health (England) to fund the roll out of the pathology clinical leadership programme aimed at senior pathology staff in operational management positions.

The Collaborative Project Fund was established to fund training in service improvement and patient safety.

The HSST Curricula Project was established by a grant from the Department of Health to fund the production of curricula for healthcare scientists in 10 pathology disciplines. The transfer represents expenditure made from the general fund during the year.

Labskills Africa is a two year project being lead by the College in partnership with the College of Pathologists of East, Central and Southern Africa and the British Division of International Academy of Pathology to improve laboratory medicine services in sub-Saharan Africa. The programme is funded through the Health Partnership Scheme which is funded by the UK Department for International Development and managed by the Tropical Health & Education Trust.

The public engagement fund was established by way of a prize awarded by The Royal Society to Dr Suzy Lishman for her work on behalf of the College on public engagement and is available for the College's public engagement work.

The Furness Prize fund was established in 2010 to fund an annual prize in science communication in relation to pathology.

The designated leasehold replacement fund represents security against the declining value of the lease. The intention is to build up the value of this fund over time to provide for the future cost of renewing the lease on the premises. During the year £325,000 was transferred into this fund from unrestricted funds.

The designated National Pathology Workforce Database Fund was established to fund the setting up and running costs for the first few years of the pathology workforce statistical database. The transfer of £12,000 to unrestricted funds represents a proportion of the costs of running the project during the year.

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20. Restricted and designated funds (continued)

The designated cancer reporting fund was established to fund the College's share of the commitment to the International Collaboration on Cancer Reporting, of which the College is a member of a quadripartite alliance formed in 2011 to pursue global harmonisation of cancer datasets for pathology reporting. The ICCR will be incorporating as a not for profit organisation and the College will be a foundation member.

The designated International fund was established to hold the balance of unspent funds on projects committed by the College supporting the development of laboratory medicine in low income countries. The transfer represents funds to enable a remunerated director to be appointed to oversee this aspect of the College's work.

The designated public engagement fund was established to fund the salaries of the public engagement staff, together with other costs for the pathology public engagement programme, and the College's costs for national pathology year 2012. The transfer of £92,959 to general unrestricted funds represents the amounts spent on those items during the year.

21. Analysis of net assets between funds

Group and College	Tangible fixed assets £	Investments £	Net current assets £	Total £
<i>Restricted Funds</i>				
Research Pool Fund	-	-	48,849	48,849
Oliver Memorial Fund	-	88,543	8,391	96,934
Bhagwan Singh Fund	-	30,890	5,483	36,373
Flynn Lecture Fund	-	29,341	8,831	38,172
Kohn Memorial Fund	-	22,960	10,087	33,047
Developmental Pathology Fund	-	-	16,223	16,223
National Laboratory Medicine Catalogue Fund	-	-	202,590	202,590
Medical Examiner Training Fund	-	-	96,536	96,536
Revalidation Fund	-	-	22,016	22,016
CPA Trust Fund	-	-	12,468	12,468
Medical Devices Fund	-	-	25,000	25,000
Death Certification Project Fund	-	-	26,814	26,814
HSST Curricula Project	-	-	37,146	37,146
Collaborative project fund	-	-	15,000	15,000
Labskills Africa Fund	-	-	97,286	97,286
Public Engagement Fund	-	-	7,500	7,500
Furness Prize Fund	-	-	1,832	1,832
	-	171,734	642,052	813,786
<i>Unrestricted Funds</i>				
Designated Leasehold Replacement Fund	-	2,436,162	-	2,436,162
Designated Cancer Reporting Fund	-	-	100,000	100,000
Designated International Fund	-	-	159,625	159,625
Designated Public Engagement Fund	-	-	119,026	119,026
General Unrestricted Fund	5,791,936	1,997,717	2,277,159	10,066,812
	5,791,936	4,605,613	3,297,862	13,695,411

22. Contingent commitments

In April 2013 College Council entered into a joint sale and marketing agreement with the freeholder of the College's building at 2 Carlton House Terrace, that, subject to the conditions of that agreement being met in due course, the College's interest in the premises will be sold.