

## FINANCIAL REPORT

Total income for the year amounted to £4.97 million. Subscriptions continue to be the largest source of income at £3.1 million, followed by postgraduate education and examinations at £1.3 million. Membership numbers continue to grow at around 1% per annum and the number of candidates sitting College examinations rose by 4.8% over the prior year. Expenditure amounted to £4.78 million.

Work on the Alie Street development is progressing well. The demolition of the previous building was completed in November 2016 on time and on budget. The RIBA stage 4 designs and costings were approved by the trustees in July. The tender for the construction of the new building was completed in late summer with the second stage of the process being completed in October, with the final designs and cost being agreed and approved in November. The contract for the work was signed in January with the contractor taking possession of the site soon after. The works have commenced and are expected to be completed in the fourth quarter of 2018. The additions to the building in the year to 30 June 2017 amounted to £3.6 million.

In preparation for the expenditure on the building the College has reviewed the investments held and approximately one fifth of the portfolio was liquidated to provide some of the funds required for the building project. Income from investments has decreased this year due to these investment sales.

The last year has proved very rewarding with relatively low inflation and nominal interest rates. Post the vote to leave the EU a decline in sterling against the dollar and euro proved beneficial to the College's investment portfolio. This has resulted in the portfolio delivering a total return of 14.83% net of capital additions and withdrawals over the year. Longer term the portfolio has delivered 25.95% and 54.07% on a three and five year timeframe respectively.

Results from RCPATH Consulting, included in these accounts but administratively run by the College's wholly owned subsidiary company RCPATH Trading Limited, was income of £33k, with associated expenditure of £13k. The surplus has been gift aided to the College.

The accounts published overleaf are not the statutory accounts, but a summary of information relating to both the statement of financial activities and the balance sheet. The full financial statements have been audited and contain an unqualified audit report. They were approved by the Trustee Board on 27 July 2017 and have been submitted to the Charity Commission. Any member may request a copy of the full accounts by writing to the Chief Executive.



Dr David Cassidy  
Treasurer



Mr Daniel Ross  
Chief Executive

## INDEPENDENT AUDITOR'S STATEMENT TO THE TRUSTEES OF THE ROYAL COLLEGE OF PATHOLOGISTS

The full financial statements were audited by Begbies, Chartered Accountants, and approved by the Trustee Board on 27th July 2017 and signed on their behalf by Dr Suzy Lishman and Dr David Cassidy.

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

27 July 2017

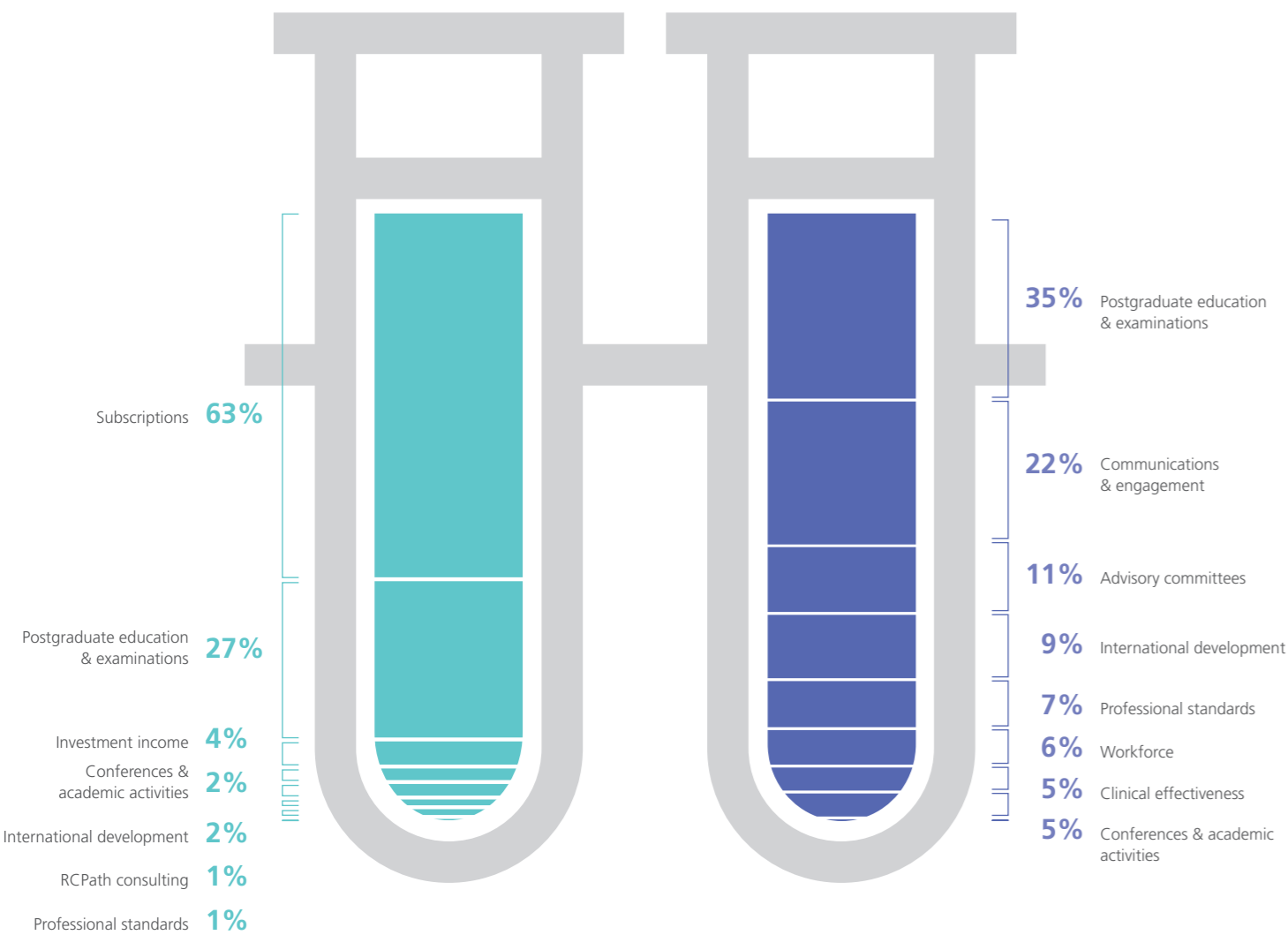


# 2016-2017

FINANCIAL REPORT

**INCOME**  
**£4,968,619**

**EXPENDITURE**  
**£4,786,603**



## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 30 June 2017

|   | Unrestricted<br>General Funds | Unrestricted<br>Designated Funds | Restricted<br>Funds | Total Funds<br>30 June 2017 | Total Funds<br>30 June 2016 |
|---|-------------------------------|----------------------------------|---------------------|-----------------------------|-----------------------------|
|   | £                             | £                                | £                   | £                           | £                           |
| <b>Income from:</b>   |                               |                                  |                     |                             |                             |
| Donations & legacies  | 2,851                         | -                                | 881                 | 3,732                       | 6,804                       |
| Charitable activities   |                               |                                  |                     |                             |                             |
| Subscriptions   | 3,126,629                     | -                                | -                   | 3,126,629                   | 2,937,572                   |
| Postgraduate education & examinations                                 | 1,293,786                     | -                                | 32,000              | 1,325,786                   | 1,217,424                   |
| International development   | 45,098                        | -                                | 29,598              | 74,696                      | 126,083                     |
| Conferences & academic activities                                     | 124,048                       | -                                | -                   | 124,048                     | 129,452                     |
| Professional standards  | 65,628                        | -                                | -                   | 65,628                      | 52,492                      |
| Communications and public engagement                                  | 11,308                        | -                                | -                   | 11,308                      | 12,095                      |
| Trading activities  | 33,000                        | -                                | -                   | 33,000                      | 11,401                      |
| Investments   | 196,640                       | -                                | 6,100               | 202,740                     | 234,628                     |
| Other   | 1,052                         | -                                | -                   | 1,052                       | 10,829                      |
| Surplus on disposal of functional property                            | -                             | -                                | -                   | -                           | 104,574                     |
| <b>Total income</b>   | <b>4,900,040</b>              | <b>-</b>                         | <b>68,579</b>       | <b>4,968,619</b>            | <b>4,843,354</b>            |
| <b>Expenditure on:</b>  |                               |                                  |                     |                             |                             |
| Raising funds   |                               |                                  |                     |                             |                             |
| Trading activities  | 12,761                        | -                                | -                   | 12,761                      | 7,651                       |
| Investment management fees  | 19,716                        | -                                | -                   | 19,716                      | 19,566                      |
| Charitable activities   |                               |                                  |                     |                             |                             |
| Postgraduate education & examinations                                 | 1,644,222                     | -                                | 12,855              | 1,657,077                   | 1,654,738                   |
| International development   | 368,650                       | 27,507                           | 14,131              | 410,288                     | 577,340                     |
| Conferences & academic activities                                     | 220,391                       | -                                | -                   | 220,391                     | 204,116                     |
| Research  | -                             | -                                | 526                 | 526                         | 7,403                       |
| Professional standards  | 337,088                       | -                                | -                   | 337,088                     | 406,631                     |
| Clinical effectiveness  | 234,247                       | 9,014                            | 1,754               | 245,015                     | 233,621                     |
| Workforce   | 290,886                       | -                                | -                   | 290,886                     | 313,807                     |
| Communications & public engagement                                    | 1,050,782                     | -                                | 1,510               | 1,052,292                   | 1,280,398                   |
| Advisory committees   | 540,563                       | -                                | -                   | 540,563                     | 605,680                     |
| <b>Total expenditure</b>  | <b>4,719,306</b>              | <b>36,521</b>                    | <b>30,776</b>       | <b>4,786,603</b>            | <b>5,310,951</b>            |
| <b>Net income / (expenditure)<br/>before net gains on investments</b> | <b>180,734</b>                | <b>(36,521)</b>                  | <b>37,803</b>       | <b>182,016</b>              | <b>(467,597)</b>            |
| Net gains on investments  | 620,253                       | -                                | 66,615              | 686,868                     | 120,814                     |
| <b>Net income / (expenditure)</b>                                     | <b>800,987</b>                | <b>(36,521)</b>                  | <b>104,418</b>      | <b>868,884</b>              | <b>(346,783)</b>            |
| Transfers between funds   | (371,055)                     | 381,055                          | (10,000)            | -                           | -                           |
| <b>Net movement in funds</b>  | <b>429,932</b>                | <b>344,534</b>                   | <b>94,418</b>       | <b>868,884</b>              | <b>(346,783)</b>            |
| <b>Reconciliation of funds:</b>                                       |                               |                                  |                     |                             |                             |
| Total funds brought forward   | 5,854,514                     | 29,282,488                       | 585,659             | 35,722,661                  | 36,069,444                  |
| <b>Total funds carried forward</b>                                    | <b>6,284,446</b>              | <b>29,627,022</b>                | <b>680,077</b>      | <b>36,591,545</b>           | <b>35,722,661</b>           |

## CONSOLIDATED BALANCE SHEET as at 30 June 2017

|   | 2017              | 2016              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <b>Fixed assets:</b>                                    |                   |                   |
| Tangible assets   | 22,056,648        | 18,658,919        |
| Investments   | 5,385,166         | 5,875,440         |
| <b>Total fixed assets</b>                               | <b>27,441,814</b> | <b>24,534,359</b> |
| <b>Current assets:</b>                                  |                   |                   |
| Stocks  | 15,294            | 8,558             |
| Debtors   | 514,247           | 454,925           |
| Cash at bank and in hand                                | 11,815,588        | 13,409,430        |
| <b>Total current assets</b>                             | <b>12,345,129</b> | <b>13,872,913</b> |
| <b>Liabilities:</b>                                     |                   |                   |
| Creditors: Amounts falling due within one year          | (3,057,165)       | (2,486,327)       |
| <b>Net current assets</b>                               | <b>9,287,964</b>  | <b>11,386,586</b> |
| <b>Total assets less current liabilities</b>            | <b>36,729,778</b> | <b>35,920,945</b> |
| Creditors: Amounts falling due after more than one year |                   |                   |
| Provisions for liabilities                              | (100,000)         | (100,000)         |
| <b>Net assets excluding pension liability</b>           | <b>36,629,778</b> | <b>35,820,945</b> |
| Defined benefit pension scheme liability                | (38,233)          | (98,284)          |
| <b>Total net assets</b>                                 | <b>36,591,545</b> | <b>35,722,661</b> |
| <b>The funds of the College:</b>                        |                   |                   |
| Unrestricted funds - general funds                      | 6,284,446         | 5,854,514         |
| Unrestricted funds - designated funds                   | 29,627,022        | 29,282,487        |
| Restricted funds  | 680,077           | 585,660           |
| <b>Total College funds</b>                              | <b>36,591,545</b> | <b>35,722,661</b> |

The financial statements were approved by the Trustee Board on 27th July 2017 and signed on behalf of the Trustee Board by

Dr Suzy Lishman  
President

Dr David Cassidy  
Treasurer