

The Royal Society of Medicine

# ANNUAL REPORT 2016/ 2017



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# Welcome to the 2016/17 Annual Report for The Royal Society of Medicine

It is my great pleasure to have recently taken office as the President of The Royal Society of Medicine, especially at a time when the Society has a new Chief Executive, Helen Gordon. Helen is leading a range of major initiatives designed to ensure we achieve our aim of advancing health and saving lives. This report highlights our major achievements

over the last year whilst also outlining the strategy for education, membership, finance and property. We look forward in the coming year to seeing important developments across all these areas of the Society.

**Professor Sir Simon Wessely**  
President



## Chief Executive's Report

It is a pleasure to write my first introduction to the annual report as Chief Executive of the Royal Society of Medicine.

2016/17 has been a year of considering longer term strategy for the Society, against the backdrop of significant change and challenge in health services. Given that the mission of the RSM is to advance health through education and innovation, a major priority has been to consider the education strategy of the RSM, developing our offering in scope, content and delivery, to ensure that our members and delegates have the best possible choice of relevant continuing professional



development. Our unique strength comes from our focus on specialties as well as our ability to offer breadth through cross cutting health themes. As well as our well-established work with doctors, more choice is being offered than ever before to meet and learn with the wider healthcare team.

Sincere thanks to members who volunteer so much time to create the majority of our education programme. We could not achieve as much as we do without you.

As well as being a membership organisation and provider of high quality education and events, the RSM is a charity and must focus on increasing our impact on society. Through our education programme we support an ever widening audience of doctors and other health professionals, at all stages of their career. This work goes far in helping to deliver excellent care, research, education and developments for patients and the public.

A highlight of 2017 for me is our new partnership with the NHS England Clinical Entrepreneur Programme. A practical way to help support innovators taking part in the programme is through membership of the RSM, so that they can access our superb Library, information services and events, and have a place to work and network. This, alongside our showcasing of medical innovations at our popular twice-yearly summits, ensures

that we actively play our part in sharing developments in medicine.

As we develop our services in the years ahead, we will need to ensure that we use our assets and resources effectively. Action is underway to find ways in which we can make improvements so that more money can be invested in services and events, and that we build in further resilience in a challenging economic environment.

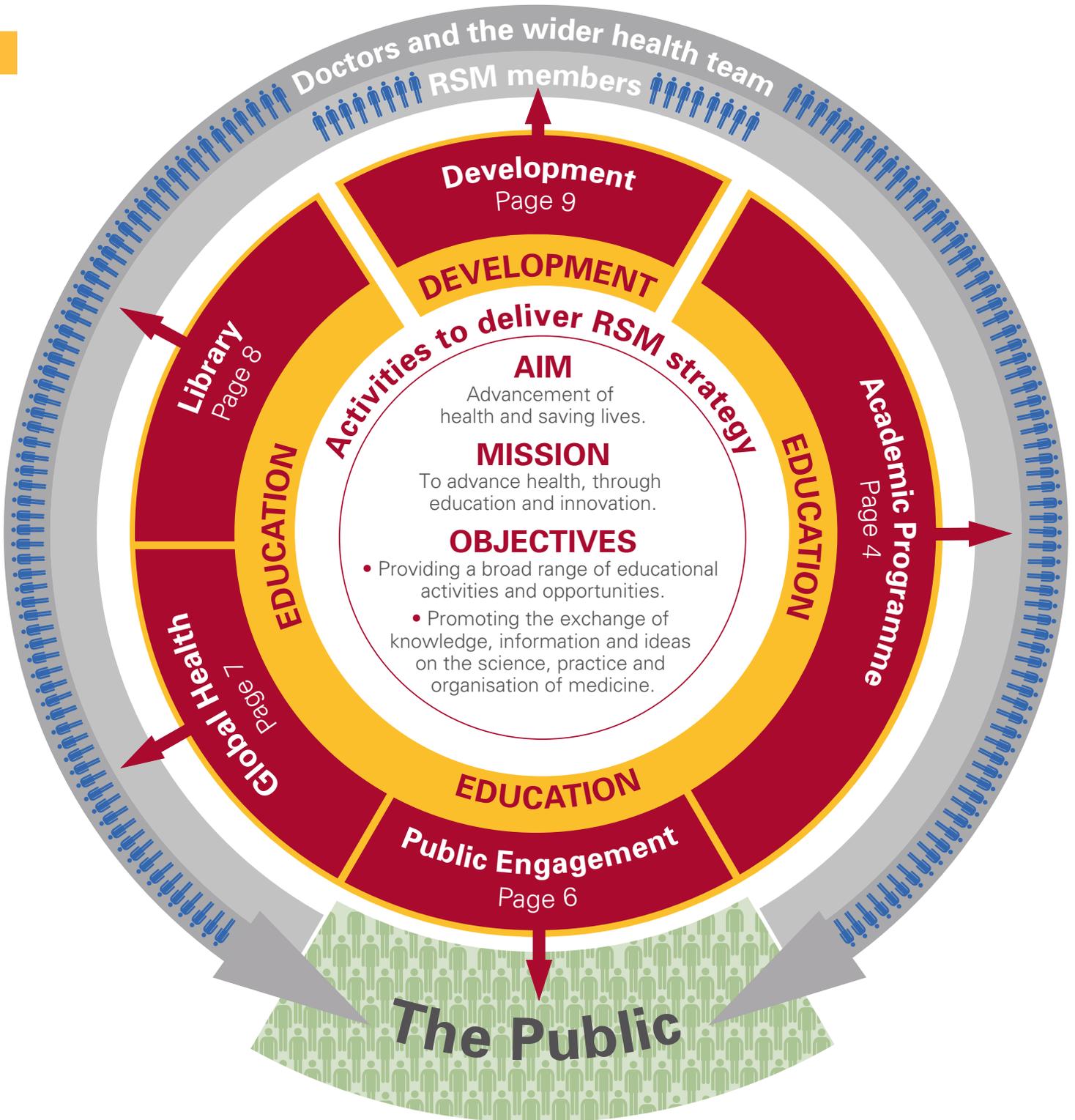
Thank you to our Immediate Past President Mr B Sethia for all that he achieved in his tenure. Thank you also to the President, Honorary Officers and Council for their leadership and commitment, and to the Executive Team and all the staff for their passion to deliver excellence to our members, delegates and partners.

Finally, may I thank all members, donors and supporters of the Society. Your substantial and varied contributions help us in all that we do. We will continue to listen to you and welcome your views and opinions.

I look forward to 2018 with optimism and a great sense of purpose as we take our developments forward.

**Helen Gordon**  
Chief Executive, RSM  
CEO@rsm.ac.uk  
Twitter: @MrsHGordon

# Mission and Delivery of Public Benefit



# RSM Strategy

The Society has a compelling vision to be the leading provider of postgraduate continuing education to the medical and wider healthcare professions. In pursuit of this vision, under the leadership of its recently appointed Chief Executive, Helen Gordon, the Society has embarked on a full review of the Society's strategy under three core strands; Education, Membership and Financial & Property.

It is anticipated that the strategy will be finalised during the first half of 2018 and then start to be implemented. The report below sets out progress towards this objective on each of the core strands.

## Education, including Information Services

The strategy for education at the RSM is inspired by exciting changes in the fields of both education and healthcare and based on consultation across the RSM and beyond. The strategy describes development of the content, delivery and scope of RSM learning.

Important for both the RSM today and for its future as a provider of learning programmes that make a difference, the strategy aims to support the RSM to deliver its mission of advancing health and healthcare through education and innovation.

RSM specialty Sections, which devise the many RSM specialist programmes, will continue to be central to RSM education. Significant changes in support for the Sections will help grow programmes that cross disciplines and professions; increase participation and interaction at RSM events; and ensure that the content continues to be contemporary, challenging and relevant for both individual and team development.

Enabling involvement of the public and patients is an important strategic theme for the RSM. Some of the RSM's popular events are aimed at both the public and healthcare professionals and others are designed for specific patient groups, for example the *Medicine & Me* programme. More of these will be scheduled, but in addition, the RSM will work to engage actively with both the public and patients across all its work.

Key to improving engagement and expanding the RSM's reach and scope, will be blending today's educational

technologies with the RSM's face-to-face programmes. Adults learn best through active participation, and today's digital technologies offer some novel ways of allowing delegates, both from within the RSM membership and beyond, to be able to participate actively in learning programmes. Underpinning our educational programme will be the RSM's Library and its extensive online resources, together with the world leading collection and the Library as a place to learn and study.

Commitment to innovation has always been part of the work of the RSM. Recently selected as a partner of the NHS Clinical Entrepreneur Programme, the RSM will be providing work and learning space plus the opportunity for networking for these entrepreneurs.

As medical science continues to progress to reveal greater understanding of the basis of diseases and develop more and more effective treatment options and outcomes, the RSM needs to be in a position to provide the learning necessary to enable healthcare professionals to incorporate best practice into local healthcare provision and deliver good quality and safe care for today's and tomorrow's patients.

The Society will be seeking views on these emerging plans from RSM members, delegates and RSM partners as the strategy is put into action.

## Membership

The membership review (page 10) identifies that it is proving increasingly difficult to recruit and retain younger medical professionals as members. Following recent market research the Society has now adopted the following strategy to maximise membership numbers and income over the coming years.

- To increase the number of young doctors joining the RSM by providing more flexible and relevant membership benefit packages.
- To maximise levels of engagement amongst all members and particularly those who have recently joined by leveraging personalised messages via email and the new RSM website.
- To ensure that members renew at the same or improved levels by offering a variety of renewal packages and wider selection of payment methods.

The introduction of a new customer relationship management system and website towards the end of 2018 will support the RSM's objective to increase membership numbers and income.

## Financial & Property

As set out in the Financial Review on pages 16 to 17 of this Annual Report, the Society's finances remain in good health, despite facing significant headwinds in growing income over recent years to match growth in the Society's cost base.

The Society has, however, recognised that these headwinds have the potential to cause longer term financial challenges for the Society. As such, the Society is carrying out an extensive review of income streams, costs and the RSM's asset base to secure the Society's financial position for the long term and to be able to fully deliver the Education and Membership strategies described above.

A full project plan has been developed and is in the course of being implemented. A core objective of the plan is to secure for the long term (consistent with maintaining financial stability) the Society's investment in the services valued by its members and other customers. The plan covers areas as wide-ranging as:

- investment in IT and other systems to drive long term business process efficiencies
- new and expanded business activities to drive more income from the Society's recognised strengths
- the teams of staff needed to most effectively implement the Society's new strategies, along with the HR systems to motivate and reward success
- more efficient ways of delivering charitable and member services
- improved procurement of the Society's goods and services
- most effective use of the Society's property and other assets.

As regards property strategy, Cluttons Chartered Surveyors has been engaged to advise the Society on ensuring the most effective use of its property estate. This work has already identified substantial opportunities in relation to both of the Society's properties which will be progressed over the coming months.

# Academic Programme



## Significant activities

**1** Collaboration with external partners to run joint meetings continues to be a core theme of the academic programme. Joint meetings were run in partnership with a diverse range of external organisations, from Live Music Now to NHS Innovations Southwest, and Peking University Cancer Hospital.

**2** Cross-specialty meetings continue to add value to the RSM's educational programme. An example of joint meetings across Sections came when the Comparative Medicine Network and the Clinical Forensic & Legal Medicine Section worked together to look at the issues of nature versus nurture in the relationship between dogs and humans.

**3** Meetings in collaboration with the Medical Royal Colleges have also taken place, including the Royal College of Anaesthetists, the Royal College of Paediatrics and Child Health and the Royal College of Psychiatrists.

**4** Medicine and the law and medico-legal issues had some prominence across a number of meetings. The Urology and Coloproctology Sections examined issues around manslaughter and a joint meeting with the Crown Prosecution Service in October 2017 looked at gross negligence manslaughter.

**5** Brexit emerged as a new theme in meetings this year. The Trainees, Geriatrics & Gerontology and Occupational Medicine Sections all considered the potential impact of Brexit on different parts of UK healthcare.

**6** The theme of leadership and teamwork continued to run through a number of meeting programmes. In October the Students Section ran a meeting with the UK Medical Students Association looking at equipping tomorrow's leaders. The Open Section looked at high performance teamwork and the Patient Safety Section ran a meeting on transforming the hospital into a learning organisation. Both the Endocrinology & Diabetes and Respiratory Medicine Sections ran meetings looking at multidisciplinary approaches to care, and in October 2017 a livestream to the RSM from the International Conference on Residency Education in Canada looked at the importance of clinical leadership in everyday clinical practice.

**7** Innovation and modernising service delivery continue to be overarching themes in the delivery of modern high quality healthcare. These themes were explored extensively during many meetings, notably by the Palliative Care, Telemedicine & eHealth, Orthopaedics, Cardiothoracic and Ophthalmology Sections.

**8** RSM Professionals grew its portfolio of events to just under 50 in 2016/17, working with 21 partners including the British Society of Head & Neck Imaging, The Association of the British Pharmaceutical Industry and the Nutrition Society. A series of interview courses for ST1 and ST3 trainees in radiology, urology, general and vascular surgery was introduced to equip doctors of the future with core skills needed for career progression.

**9** Music and the arts returned as themes across a number of



RSM Paediatric Section Council member Dr Guddi Singh

meetings. In November, the conference *Music Interventions for children with learning disabilities* was run with Live Music Now and in September the Students Section looked at the relationship between art and surgery. A historical perspective was provided by the Retired Fellows Society who in October 2016 invited Mr Piers Mitchell to talk about his scientific study of Richard III.

**10** While the wellbeing of health professionals is a recognised driver of safe, high-quality patient care, the mental health of medical students has been described as a 'global problem of significant proportion.' In January 2017 the RSM Students Section hosted its fourth review of undergraduate education, focusing on mental health and wellbeing, to be submitted for peer review publication. The programme was delivered by prominent healthcare professionals and representatives from bodies including the British Medical Association, the General Medical Council and the Medical Schools Council.



Group discussion at the *Reforming anatomy: the interplay between art and surgery* event in September



## Performance in the year 2016/17

- 369 approved conferences, meetings and courses were organised and accredited by the RSM.
- The Society ran 95 joint meetings with external organisations across the year.
- Just under 27,000 delegates attended meetings at the RSM, of which nearly 20,000 delegates attended Section meetings. An average of 73 delegates attended each RSM event.
- 155 prizes were awarded to students and trainees during the year including the sought-after Ellison-Cliffe Travelling Fellowships and the coveted Wesleyan RSM Trainee of the Year Award.
- The academic programme included 33 meetings run outside London during the year, including two overseas meetings.
- Funded by the RSM's Academic Fund, 20 prestigious international visiting lecturers were invited by Sections to contribute to meetings, including speakers from America, Canada, France, Trinidad and Switzerland.
- Unrestricted educational grants and sponsorship to the value of nearly £800,000 were raised from a range of companies in support of the academic programme.
- The livestreaming of meetings is becoming integral to the delivery of RSM conferences. As an example, the Urology Section ran a meeting for trainees with livestreams to five hospitals across the UK.
- Delegate satisfaction with the education programme remains very high.
- Over 90% of delegates who completed feedback reported that their educational aims were met well or very well.
- 377 videos were added to the RSM website and there are now over 600 available to view. A hundred of these are free for any doctor or member of the public to view. Nearly 500 are available with the provision to earn personal CPD.



Cressida Dick, Commissioner, London Metropolitan Police speaking at the RSM

## Future plans

- Fostering relationships with external specialty associations to deliver high profile educational meetings remains important and in 2017/18 it is anticipated that more collaborative meetings will be run with new partners.
- A number of strands of work commenced during 2016/17 which will be further augmented as part of the Society's education strategy. The range of bespoke professional development training and meetings for trainees will increase, in line with requests for new and innovative courses which are both specialty specific and for more general professional development.
- Following successful pilots with Taylor & Francis to create free downloadable eBooks linked to a number of academic meetings, and with BMJ on using learning modules as pre-reading for meetings, opportunities will be reviewed for offering more blended learning approaches. The aim will be to integrate with the e-resources held by the RSM Library and feed into the monthly videos resources pages.
- Important topical issues will continue to be addressed as they arise with short-notice meetings. These will build on the success of the meeting held in September that looked at the response of the emergency services to the terrorist attacks in London and Manchester during 2017.



## Significant activities

**1** Professor Stephen Hawking was the keynote speaker at the RSM's first *Talk NHS* conference to debate the future of the NHS. With the programme organised in conjunction with Discourse, a group that promotes debate on key issues of the day, the event attracted a young audience and generated lively and sometimes heated discussions about this controversial subject. Panellists included: Dr Sarah Wollaston MP, and Chair, Health Select Committee, Nigel Edwards, Chief Executive, the Nuffield Trust and Liz McNulty, Chair of Trustees, Patients Association. Extensive national media coverage was generated and over 700 posts on Twitter created nearly two million impressions.

**2** Working in collaboration with leading charities, the RSM organised seven *Medicine & Me* events during the year. These meetings bring together patients, their carers and clinicians to talk about important medical conditions. This year's charity partners included Fifth Sense, the Proteus Family Network UK, the British Lung Foundation, PCOS UK and Verity-PCOS, the UK Sepsis Trust, the Sickle Cell Society, the Marfan Association UK and the Marfan Trust.

**3** More than 550 school students considering a career in medicine registered to attend three regional conferences to hear a panel of experts offer guidance on the process of applying to study medicine and give insights into life in the medical profession.

**4** Matthew Syed, columnist for *The Times* and author of two acclaimed books gave the 2017 *Easter Lecture*, in which he discussed the dynamics of high performance culture. Using examples from sectors including healthcare, aviation and sport Mr Syed highlighted how to implement an improving culture.

**5** Over 440 people registered to attend the annual *Arts, Society and Medicine Lecture* given by Royal Academician, Conrad Shawcross. Mr Shawcross explained his fascination with science and paid tribute to some of the great scientific analysts and pioneers of the past.

## Performance in the year 2016/17

- The RSM ran eight public engagement meetings during 2016/17 which attracted a total of 2,329 delegates and generated very positive feedback.
- The medical careers programme, which ran in London, Rutland and Berkshire, attracted nearly 700 school students, graduates and teachers across five meetings.
- Just over 1,000 people registered to attend the seven *Medicine & Me* events, 67% of which were patients and carers.
- A donation of £5,000 was received from myTomorrows to support the *Medicine & Me* programme.



## Future plans

- The medical careers programme will continue to grow and the RSM will be running a new event for school students in Yorkshire, as well as looking at opportunities for events in other new locations.
- The RSM will continue to run public lectures in 2017/18. The annual *Jephcott Lecture* will be given by Chief Medical Officer for England and RSM Honorary Fellow Dame Sally Davies.
- In 2017/18 the *Medicine & Me* programme will be working with the MS Society and the Cystic Fibrosis Trust. A meeting to focus on mental health in the medical profession is also being planned.
- The Society will collaborate again with Discourse in Summer 2018 to examine the NHS on its 70th anniversary. Once again the format of a balanced debate and a keynote speaker is proposed.
- A series of new public engagement events is planned for 2017/18, bringing together clinicians and the public to discuss topical and controversial issues including the wellbeing of the NHS workforce.



## Significant activities

**1** 2016/17 marked the first year of the RSM's global health partnership with the King's Centre for Global Health and Health Partnerships. A steering group monitors and leads the overall strategy for the programme. The core mission throughout the year has been to encourage educational innovation and engagement with global health topics through three key streams: *Education*, *Emergencies* and *Big Issues*.

**2** PhD student Ms Eleanor Bowen-Jones commenced her research regarding ethical electives for undergraduate medical students, looking at the potential opportunities and benefits of placements. Her thesis will also address harm associated with electives around the core research question: '*How host perspectives can inform interventions to improve the elective experience for both students and host communities.*'

**3** The first global surgery summer school took place at the RSM in July 2017. The two-day condensed course gathered over 100 trainees, medical students and global surgery advocates from a wide variety of countries. From community involvement to practical tips on career building, the summer school equipped delegates with skills, academic insights and networking opportunities.

**4** A conference organised in partnership with UK Sierra Leone Health Partners (UKSLHP), Public Health England (PHE) and the All Party Parliamentary Group on Global Health, centred on post-Ebola epidemic health system strengthening. Building consensus and momentum to align post-Ebola recovery efforts, the conference gathered 208 delegates, including key members of the Sierra Leonean Ministry of Health, the



Department for International Development (DfID), PHE and from multiple UK organisations working in Sierra Leone.

**5** A two-day conference on *Global Ageing* attracted 165 delegates and an outstanding panel of international experts.

**6** The *Partnerships in Global Health* event, organised with the Tropical Health and Education Trust, brought together international speakers to discuss their experiences of DfID's Health Partnership scheme. This meeting was deemed extremely useful by the health-partnership community across universities and organisations and will lead to a full day conference during the coming year.

**7** The meeting *Negotiating the humanitarian space: where's the UK responsibility?* gathered high profile international speakers and delegates from the Ministry of Defence, the development sector and academia. The conference led to a resource page on RSM Videos, gathering interviews, articles and video lectures. This brilliant resource makes for a perfect blueprint for the online component of future conferences. <http://videos.rsm.ac.uk/humanitarian-space>

## Performance in the year 2016/17

- This year's annual programme included eight events encompassing lectures, conferences, workshops and debates and attracted more than 800 delegates.
- The vast majority of the programme's audience is composed of students and trainees. Non-clinical global health practitioners also comprise a large number of delegates. Social media and email marketing were very effective in reaching audiences. To make sure that high attendance is sustained across the programme, marketing and branding will continue to be at the centre of the development process for these events.
- Overwhelmingly positive delegate feedback included comments ranging from "eye opening" to "life changing". Many delegates have expressed the wish to engage more significantly on global health conference topics.

## Future plans

- The programme will continue to focus on the themes *Education*, *Emergencies* and *Big Issues*, with the aim of drawing diverse audiences and fostering new collaborations.
- An exciting mix of events around important contemporary issues will include: the health challenges faced by undocumented migrants and refugee communities accessing healthcare services in the UK; the growing burden of chronic disease in fragile states facing humanitarian emergencies; strengthening the global nursing workforce; and new ideas in education and learning within the context of international health partnerships.
- Evaluation will be at the centre of the upcoming year. A KCL MSc student project (Capstone) will be assigned to design data collection tools related to the monitoring and evaluation of global health activities at the RSM.

# Education Library



8

## Significant activities

**1** In July RSM Council approved the new Library strategy for the next five years which will link with the RSM's overall education strategy. The strategy has been developed in the context of the Library's overall aim of offering high quality and responsive library services. The strategy includes re-developing the physical Library at 1 Wimpole Street; developing the concept of 'My RSM', to provide a personalised space for information and education resources; and improving the visibility and discovery of information resources. Details of the strategy can be viewed at [www.rsm.ac.uk/library-strat](http://www.rsm.ac.uk/library-strat)

**2** All of the objectives of the previous Library services strategy were achieved. They included increasing physical visits to the Library; increasing the number of remotely accessible e-journals; expanding the number of eBooks; introducing medical and surgical videos; making the first floor of the Library available 24/7 with a self-issue facility; creating an interactive group study area for up to 12 users; and expanding the Information Skills Programme to allow remote access to training.



**3** The Library hosted a number of successful exhibitions during 2016/17, exploiting its rich collection of rare and historical material, as well as working with other learned bodies on cooperative projects. Exhibitions included: *Sir Morell Mackenzie, a Lifetime in Laryngology*; *Attachment, our enduring need for others, John Bowlby (1907 – 1990)*; *The Mesmerist, John Elliotson (1791 – 1868)*; *Whaling and whaling ships*; and *Medical Internees in World War II*.



## Performance in the year 2016/17

- 29,000 people visited the Library in the last year, including visits to the first floor which is open 24/7.
- The Library dealt with nearly 11,000 telephone and email enquiries from members asking for assistance with their information needs. These figures include search requests and document supply.
- Due to the generosity of the Friends of the Library Scheme 57 items from the collection were professionally conserved.
- The RSM's conservation volunteers repaired 562 items from the 19th and 20th century stock.
- The Library loaned its *Diamond Collection* to the Wellcome Collection. It took centre stage in the exhibition *Bedlam: the asylum and beyond* (15 September 2016 – 15 January 2017).

## Future plans

- During the coming year the Library will look to implement the new RSM Library Services Strategy, especially around the themes of developing the concept of 'My RSM' and improving the visibility and discovery of information resources. This will be achieved through the new RSM customer relationship management system and new website that will be implemented in late 2018.
- Library users wishing to make suggestions or recommendations regarding future developments may wish to apply to join the Virtual Library User Group. Contact [library@rsm.ac.uk](mailto:library@rsm.ac.uk) for further information.
- Planned exhibitions for 2017/18 include: *James Parkinson's Essay on the "Shaking Palsy"*; *Georgian Medicine*; and *Medicine of the Belle Epoque*.

# Development



## Significant activities

1 As part of the RSM *Medical Innovations* programme, which is led by the Development Office, steps were taken to enter into a partnership with NHS England and formalise an arrangement with its Clinical Entrepreneur Programme (NHS CEP). The NHS CEP has been co-designed by NHS England and Health Education England to offer opportunities for doctors and other health professionals to develop their entrepreneurial aspirations. As part of this collaboration free RSM membership has been offered to the 140 doctors currently taking part in the NHS CEP.

2 The RSM *Medical Innovations* programme continued to flourish with two day-long summits taking place in April and September. As always, these attracted large and varied audiences with international speakers. All presentations at the Summits were filmed and can be viewed on the RSM website.

3 New space was released for the *Wall of Honour* initiative which immediately attracted further donations. RSM members and friends of the Society have now arranged for over 850 names to be inscribed on the glass walls of the RSM's atrium.

4 Existing donors were updated on the progress being made by the RSM on several fronts, and links with potential donors were initiated and nurtured. A number of these meetings involved the Immediate Past President, President, Dean, Associate Dean and Chief Executive.

## Performance in the year 2016/2017

- Gross unrestricted income raised by the Development Office for 2016/17 was £653,000. (A further £302,000 was also raised for the Academic programme.)
- The majority of the funds secured were unrestricted donations which helped the RSM finance its provision of the medical education and innovations programmes.
- Two major pledges confirmed in 2015 and 2016 remain secure and the relationships are strong. One donor has agreed to donate potentially the largest single gift in the Society's history - on a proviso relating to performance of his business. The other donor is also committed to making a substantial donation.
- Contact has been maintained with longstanding RSM members who have arranged generous legacies for the Society and gross income figures include a legacy received from Mr C W H Somerset for £48,000 and additional legacies from Dr J A Smith, Archie Norman and Sir Oliver Scott.
- A total of 26 briefings were presented through the *Medical Innovations* programme from some of the most exciting and influential names in medical innovation. The programme continued to be extraordinarily popular with RSM members and their guests.



School students Sanka Gamage and David Bernstein taking part in the September 2017 *Medical Innovations Summit*

## Future Plans

- Steps will be taken to prepare for a potential major capital campaign during 2018/19, as a result of the Society's education strategy and development of the physical space at 1 Wimpole Street. It is likely the RSM will focus most attention on individuals capable of making generous philanthropic donations, as well as appropriate charitable trusts and foundations and relevant companies.
- 2018 will mark the 10th anniversary of the RSM *Medical Innovations* programme. Two flagship summits will be held in April and September and during the year the 250th briefing will be presented by an innovator or entrepreneur.
- The *Wall of Honour* project will continue giving RSM members and others an opportunity to honour and recognise family and colleagues who have worked in the medical and healthcare sectors. This is budgeted to generate a further £100,000.
- Further opportunities linked to the new partnership with the NHS CEP will be explored.



**850**  
people  
honoured

The *Wall of Honour* in the RSM's atrium

# Membership



Sixth form student membership package launched during 2017

## Significant activities

**1** The *Best Start* communications programme for new members launched last year has now been integrated into ongoing member engagement. This has resulted in more members attending meetings, watching videos and visiting the RSM Library.

**2** A new schedule of email communications was introduced to streamline and reduce the frequency of communications sent to RSM members and improve the relevance of the content. As a result open rates for emails have improved and more members are engaging with RSM activities.

**3** A new package was launched for sixth form students to provide access to useful resources and events to help pursue a career in medicine and healthcare.

**4** Further work was undertaken to streamline the experience for members using the RSM website. Members can now join and renew online paying by direct debit. In addition, members may now purchase additional subscriptions online, such as subscribing to JRSO or applying for club membership for a spouse or partner. A decision was made by RSM Council in 2017 that no further development would be made to the existing website and instead investment would be made to develop a new customer-focused site which will work on any device.

**5** New corporate membership packages were launched providing flexible benefits. Phased increases to subscription rates for doctors in training were altered to reflect their revised income patterns.

**6** The RSM continued to develop relationships with other medical organisations as a route to grow membership. These included the Royal College of Radiologists, The New York Academy of Medicine, The Guild of Nurses, The Hippocratic Post website and the RCSI Bahrain.

**7** The RSM once again worked with ITN Productions, this time to develop a news-style programme called *21st Century Healthcare* which launched in early December 2017. This not only showcased the RSM's educational work but also that of other organisations providing innovative support for healthcare professionals.

**8** Qualitative and quantitative market research was undertaken during the year to assist in developing new models of membership packages for trainee doctors.

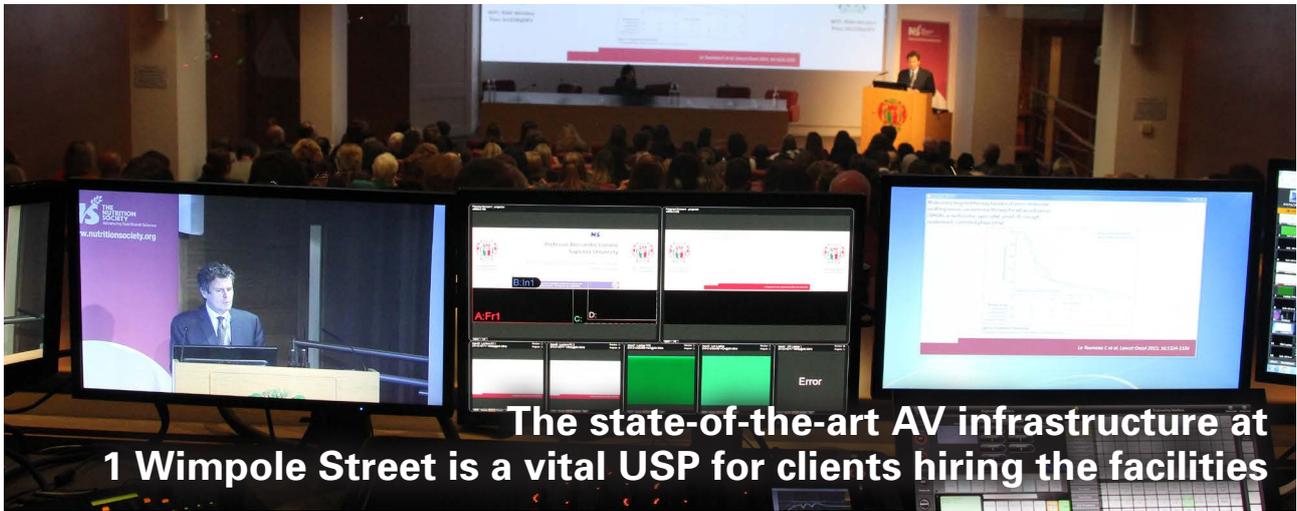
## Performance in the year 2016/17

- Nearly 3,000 new members joined the RSM during the year, an increase of 16.5% on the previous year. Total membership of the Society at the end of 2016/17 was 458 lower than last year. Online applications now account for nearly 70% of all applications up from 50% in 2015/16.
- The total subscription income of £4.603m was 9% lower than 2015/16.
- Just over half of all new members joined as Fellows of the Society. 44% of these were Overseas Fellows. This was due to a successful overseas recruitment campaign resulting in over 400 new members from 53 different countries.

- One in four of all new members were from allied healthcare professions and nearly one in five of new members were students.
- Membership retention continues to be very strong and the overall retention rate of members remains steady at 92%, although students and trainees renew at a lower rate. This has prompted the work currently underway on reviewing the most appropriate membership offering for younger members of the healthcare professions.
- Over 70% of existing members pay their subscription renewals by annual direct debit while just 31% of new members opted for this payment method.

## Future plans

- Work is underway to develop new trainee doctor membership packages based on findings from research undertaken during summer and autumn 2017. Test marketing is planned for spring 2018 and, based on results, the new packages will be rolled out at the end of 2018 and early 2019.
- A new RSM website and customer relationship management system are under development with digital and software development experts Felinesoft. These are due for launch in autumn 2018.
- An increased focus on new member acquisition via digital channels will be undertaken in 2017/18.
- The RSM will continue to develop new relationships with other healthcare organisations to grow membership and a new collaboration with the Royal Academy of Medicine in Ireland launches in January 2018.



**The state-of-the-art AV infrastructure at 1 Wimpole Street is a vital USP for clients hiring the facilities**

## Significant activities

- 1 The RSM's headquarters at 1 Wimpole Street won *Most Innovative and Tech Friendly Venue* at the 2016 Event Technology Awards and the RSM AV team were winners of the *In-House Team of the Year* category at the 2017 InstallAwards.
- 2 2017 saw the completion of a strategy for the audio visual services that will support the education programme in line with the agreed future utilisation of space within 1 Wimpole Street. The installation of an integrated public address system across the open meeting spaces was completed in August 2017.
- 3 Investment in the infrastructure of 1 Wimpole Street continued with a full boiler replacement project completing in October 2016. The outsourced planned preventative maintenance contract was re-tendered and awarded to Platinum Facilities Management Services Ltd in March 2017.
- 4 Increased e-marketing away from direct marketing to promote RSM education meetings led in part to the closure of the RSM mailroom. Two posts were made redundant and postal services were outsourced to a new provider, CMS.

## Performance in the year 2016 /2017

- A project to grow the RSM's external events business at 1 Wimpole Street resulted in strong performance across the year. The year-end position was strengthened by a surge in business from external medical clients during the summer of 2017.
- Club facilities, including member accommodation (Domus Medica), restaurant, bar and lounge, traded in line with the previous year's performance.
- Chandos House has performed well and continues to deliver income to support the RSM's charitable purposes.
- The Society's club facilities including Domus Medica traded well despite challenges from European terrorist activity affecting London hotel markets in early 2017.

## Future plans

- To develop plans to use the space at 1 Wimpole Street to support the education strategy and the changing dynamics of delegates' needs, including technology. The lack of flat floor space throughout the venue delivers ergonomic and spacial challenges across the site with restrictions on workshop and classroom use.
- Continued focus on managing the events diary to ensure optimal use of meeting and events spaces. This will involve working closely with the RSM education team to support their use of the events diary.



The RSM AV team accepting their *In-House AV Team of the Year* award

# GOVERNANCE

## Charter and Objects

The Royal Society of Medicine was established in 1805 and granted a Royal Charter by His Majesty King William IV in 1834 with objects laid down as being “the cultivation and promotion of Physic and Surgery and of the Branches of Science connected with them”. Supplementary Charters were granted in 1907 and 1999 which included: the power to create Sections for the cultivation and promotion of any branch of medicine or any science connected with, or allied to, medicine; specific powers of investment through a separate Schedule of Investment Powers; and a number of changes to facilitate the governance of the Society.

The Society is a registered charity in England and Wales and its charity number is 206219. The affairs of the Society are regulated by its Charters and its By-Laws, which were substantially revised in 1997 and again in 2009.

The trustees have concluded that a full review is required of the Society’s governing documents with the objectives that the Society’s mission and objects be updated to become more relevant to beneficiaries, and that the Society’s governance arrangements be reviewed against best practice (including the 2017 edition of the Charity Governance Code) and codified accordingly.

The Audit Committee was tasked to lead this review with a view to the Society being granted a new Supplemental Charter under the objects **“the advancement of health through the provision of professional education for those working in the healthcare professions, and the provision of information for the general public on the practice and development of medicine and healthcare”** as well as consolidated By-Laws and Rules. This review is expected to be completed during 2018/19.

## Public Benefit

The trustees have throughout the year had due regard to the Charity Commission’s public benefit guidance and, as such, have complied with the duty in section 4 of the Charities Act 2011. The aims and objectives of the Society and how it delivers thereon are shown on page 2 of this Annual Report.

The Society primarily delivers public benefit through providing education and learning resources to medical and healthcare professionals (both members and non-members of the Society) with the expectation that this will enable those professionals to deliver improved care to the benefit of their patients. The Society also provides education directly to patient groups and their doctors and carers, as described on page 6.

Members’ annual subscriptions form a significant part of the Society’s income which is used to fund the activities for public benefit. Whilst members themselves receive some benefit through the dissemination of knowledge and best practice and access to the Society’s other facilities, the trustees are satisfied that such benefit is incidental to its delivery of public benefit since, without its members the Society could not continue to pursue its objectives. The financial barriers to membership of the Society are relatively small, and students and trainees benefit from heavily discounted membership rates.

## Public Benefit Impact

Delegates attending the RSM’s educational programme have consistently provided positive feedback about the quality of the meetings, courses and conferences. During the last year evaluations have moved online and a new measure asking delegates how much the knowledge gained from attending the event will impact on their practice has been introduced.

During the first months of this measure being introduced, feedback was collected from 150 events with over 85% of delegates believing it would impact on their practice either a little, somewhat or a great deal.

Further enhancements to the appraisal of the impact of RSM meeting attendance and the Society’s other services on patient care are planned for 2018.

## Council

The Council is the governing body of the Society and the Members of Council are the Society’s trustees. A full list of the Members of Council is set out on page 15. The trustees, on appointment, are given an induction to ensure their duties and responsibilities are clearly understood. Further training is provided as and when necessary.

## Management and Organisation

Council is responsible for the overall direction of the Society. The Members of Council comprise the President and 13 other members, of whom 12 are elected members and one is a co-opted member. The President and four other members of Council are Honorary Officers. Nominations for elected members of Council are sought from among the Fellows of the Society and the election of these

members of Council, except the President, is by the whole membership (excluding student and student associate members), by postal or electronic ballot. The President is elected by the trustees. The Chief Executive is responsible for the overall management of the Society and delegates management of specific functions to the directors (see page 15 for more details), each of whom is a head of a department or departments of the Society. They support Council and work, as appropriate, in collaboration with their respective Honorary Officer. Council met five times in the past year (see page 15 for more details). The Society's subsidiary company Royal Society of Medicine Support Services Limited is governed by a separate board of three executive and two non-executive directors.

## Committees

Under the By-Laws there are two Standing Committees, charged with specific functions, as follows:

- 1. The Audit Committee**, chaired by Stephen Gilbert FCIS, reports directly to Council and is responsible for audit and risk management. It has also been tasked by Council to lead the Society's governance review described earlier. Four meetings were held in the year. The IT Advisory Board, a sub-committee of the Audit Committee, formed to consider risk management on IT matters as well as providing high level support and guidance to the Society, also met four times in the past year.
- 2. The Academic Board**, chaired by Professor Roger Kirby, is responsible for the academic functions of the Society. It consists of the Presidents of all Sections or their representatives, together with appropriate ex officio members including the Dean. The Academic Board's remit is to provide academic initiatives and to consider Education strategy, as well as changes and improvements to the organisation of meeting programmes for the Sections and the Society. The Board met three times this year.

The Society has three other committees formed to facilitate the management and governance of specific areas and to bring in relevant specialist expertise.

- **Investment Committee**, chaired by RSM Honorary Treasurer Miss Rachel Hargest, met four times in the past year and is responsible for investment strategy, appointment of investment managers and monitoring of investment performance through receiving reports from the Society's investment managers, Cazenove Capital Management.
- **Membership Services Committee**, chaired by Dr Natasha Robinson, RSM Honorary Secretary, met three times in the past year. The Committee includes Council members plus Associate and Student member representatives and reviews applications for membership, any issues related to members of the Society and agrees the subscription rates and benefit packages for all RSM members.
- **Remuneration Committee**, comprising the President, Honorary Treasurer and Chief Executive meets annually to review the remuneration of directors and other employees taking into account external benchmarks and the performance of the individuals concerned.

## Trustees' Responsibilities Statement

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011 requires the trustees to prepare financial statements for each financial year. The trustees have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the 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 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's and group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# GOVERNANCE

## Governance

The overall environment for governance includes: detailed terms of reference for all committees, formal agendas for meetings, formal organisational and governance structures and reporting lines, delegation of day-to-day management authority and segregation of duties, and formal written policies.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. Internal controls governing all forms of commitment and expenditure continue to be refined to improve effectiveness and these include hierarchical authorisation and approval levels. Processes are in place to ensure that financial performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive management and Council. This includes an annual budget for each department, approved by Council; regular consideration by Council of financial results including variances from budgets; as well as non-financial performance indicators (such as performance dashboards for each department) and identification and management of risks.

## Risk Management

The trustees are responsible for the management of the risks faced by the Society. Detailed consideration of risk is delegated to the Audit Committee, which is assisted by and receives reports from senior Society staff and professional advisers. Risks are identified, assessed and mitigation established. A formal review of the Society's risk management profile, through a risk register, is undertaken quarterly. The risks in relation to catastrophic loss as a result of an exceptional event are covered by the Society's insurance policies, including loss of income and increased cost of working for a period judged to mitigate risk, in most cases up to three years. The Society has clear business continuity plans across all the Society's operations.

The Society regards its principal risk to be the management of its reputation. It protects this through controlling the use of the Society's brand and logo, and ensuring the rigorous maintenance of standards in the Society's academic programme and in the awarding of CPD accreditation.

The Society has taken important steps in the past year to improve the resilience of its IT infrastructure. The strategy for the hosting of the major systems on which the Society relies, including backup arrangements, is to move to a full hybrid-cloud hosting environment by the first half of 2018. Work is already well advanced in pursuit of this strategy. The IT Advisory Board, which includes senior IT industry professionals, has been invaluable in its guidance and advice in mitigating risks and in the development of strategy.

Through the risk management processes established by the Society, the trustees are satisfied that the major risks identified have been adequately managed. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

## Fundraising statement

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although the Society does not undertake widespread fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in the accounts as "voluntary income" and include legacies and grants.

In relation to the above all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees.

The charity is not bound by any undertaking to be bound by any regulatory scheme. However the charity is a member of The Fundraising Regulator and complies with the relevant codes of practice.

The Society has received no complaints in relation to fundraising activities. The Society's terms of employment require staff to behave reasonably at all times; as the Society does not approach individuals for funds it does not have to particularise this to fundraising activities nor is it considered necessary to design specific procedures to monitor such activities.

# RSM Council

## 2016/17 Council meetings attended

### PRESIDENT

|  |   |     |
|--|---|-----|
| Mr Babulal Sethia<br><i>FRCS</i><br><i>(demitted office 18 July 2017)</i>                              |  | 5   |
| Professor Sir Simon Wessely<br><i>MD, FRCP, FRCPsych, FMedSci</i><br><i>(took office 18 July 2017)</i> |  | N/A |

### VICE-PRESIDENT

|   |   |   |
|---|---|---|
| Mr Martin Bailey<br><i>FRCS</i><br><i>(took office 7 December 2016)</i> |  | 4 |
|---|---|---|

### HONORARY TREASURER

|  |   |   |
|--|---|---|
| Miss Rachel Hargest<br><i>MD, FRCS</i> |  | 5 |
|--|---|---|

### HONORARY SECRETARY

|  |   |   |
|--|---|---|
| Dr Natasha Robinson<br><i>MBBS, FRCA</i><br><i>(took office 7 December 2016)</i> |  | 5 |
|--|---|---|

### HONORARY LIBRARIAN

|  |   |   |
|--|---|---|
| Professor Gillian Leng<br><i>CBE, MD</i><br><i>(re-elected Honorary Librarian with effect from 1 October 2017)</i> |  | 5 |
|--|---|---|

### CHAIRMAN OF THE ACADEMIC BOARD

|  |   |   |
|--|---|---|
| Professor Alan Roberts<br><i>OBE, TD, DL, DSc</i><br><i>(stood down 28 March 2017)</i> |  | 1 |
| Professor Roger Kirby<br><i>MD, FRCS</i><br><i>(took office 1 October 2017)</i>        |  | 4 |

### Other trustees

|  |   |     |
|--|---|-----|
| Professor John Axford<br><i>DSc, MD, FRCP</i>  |  | 4   |
| Professor Phillip Bloom<br><i>MB, CHB, FRCS (ED)</i><br><i>(elected with effect from 1 October 2017)</i> |  | N/A |
| Dr Sarah Filson<br><i>(elected with effect from 1 October 2017)</i>                                      |  | N/A |
| Professor Nadey Hakim<br><i>MD FRCS</i><br><i>(elected with effect from 1 October 2017)</i>              |  | N/A |
| Professor Sir Andrew Haines<br><i>MD, FRCGP</i><br><i>(demitted office 30 September 2017)</i>            |  | 3   |
| Reverend Hilary De Lyon<br><i>BA, MPhil, FRCGP (Hon)</i>   |  | 5   |
| Professor Emeritus James Malpas<br><i>DPhil, FRCP</i><br><i>(demitted office 30 September 2017)</i>      |  | 4   |
| Professor Roger Motson<br><i>MS, FRCS</i>  |  | 5   |
| Mr Richard Murley<br><i>(appointed 1 November 2016)</i>  |  | 3   |
| Dr Rashmi Patel<br><i>MRCPSych</i><br><i>(demitted office 30 September 2017)</i>                         |  | 5   |
| Mr Peter Richardson<br><i>MA, FRSA</i><br><i>(demitted office 30 September 2017)</i>                     |  | 5   |
| Dr Suzy Walton<br><i>PhD CPsychol CDir</i><br><i>(appointed 1 October 2017)</i>                          |  | N/A |

## The principal employed officers of the Society

### CHIEF EXECUTIVE

Mrs Helen Gordon  
*MBA*  
*(appointed 1 March 2017)*

### FINANCE DIRECTOR

Mr Mark Johnstone  
*FCA*  
*(Acting Chief Executive 16 December 2016 - 28 February 2017)*

### DEVELOPMENT DIRECTOR

Mr Paul Summerfield

### COMMUNICATIONS AND MARKETING DIRECTOR

Mrs Janice Liverseidge  
*FIDM*

### DIRECTOR OF EDUCATION

Mrs Caroline Langley

### DIRECTOR OF LIBRARY SERVICES

Mr Wayne Sime

### MANAGING DIRECTOR OF RSM SUPPORT SERVICES

Mr Nigel Collett

### DEANS

Dr Fiona Moss, Dean  
*CBE, MD, FRCP*

Miss Kaji Sritharan,  
Associate Dean  
*FRCS*  
*(appointed 26 October 2016)*

## Professional Advisors

### BANKERS

Bank of Scotland plc  
Lloyds Bank plc  
39 Threadneedle Street  
London EC2R 8AU

### SOLICITORS

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London EC1M 6HR

### Payne Hicks Beach

10 New Square  
Lincoln's Inn  
London WC2A 3QG

### AUDITORS

BDO LLP  
55 Baker Street  
London W1U 7EU

### INVESTMENT MANAGERS

Cazenove Capital Management  
12 Moorgate  
London EC2R 6DA

# FINANCIAL REVIEW

The Consolidated Statement of Financial Activities (SOFA) and Balance Sheets, together with the Notes to the Accounts set out on pages 22 to 34, show the overall financial performance of the Society and its subsidiaries, and provide an analysis of the resources arising and used in the performance of the Society's objectives and those of its subsidiaries. In addition, information is provided on the movements in the Society's endowed and restricted funds which, it should be noted, cannot be used for general Society purposes.

The trustees' investment powers are governed by the Charters. In 2010 the trustees carried out a review of the Society's investment strategy. The strategy adopted was to split the portfolio into a Permanent Endowment Fund (invested to maximise income generation and growth whilst maintaining long term capital values in real terms) and an Expendable Endowment Fund (designed to generate a reasonable level of income - greater than cash - with a limited level of capital volatility). With regard to ethical investment the trustees have adopted an investment approach that does not conflict with the aims of the Society. The investment performance is measured regularly and reviewed against appropriate benchmarks. The Society has started work on reviewing the investment strategy in the context of current financial markets with a new investment strategy anticipated in the first half of 2018.

At 30 September 2017, the Society held 7,532 shares in NASDAQ - quoted company GW Pharmaceuticals plc with a market value of £570,429 arising from donations from two of the Society's principal benefactors. The Society has adopted a policy to maintain the value of the Society's holding in these shares at no more than 10% of the overall investment portfolio.

**The results for the year are summarised as follows:**

|                           | UNRESTRICTED FUNDS |              | TOTAL FUNDS  |              |
|---------------------------|--------------------|--------------|--------------|--------------|
|                           | 2017<br>£000       | 2016<br>£000 | 2017<br>£000 | 2016<br>£000 |
| Incoming resources        | 15,665             | 15,783       | 15,907       | 16,049       |
| Expenditure               | (14,699)           | (14,288)     | (15,030)     | (14,581)     |
| <b>OPERATING SURPLUS</b>  | <b>966</b>         | <b>1,555</b> | <b>877</b>   | <b>1,468</b> |
| Depreciation and interest | (1,306)            | (1,255)      | (1,306)      | (1,255)      |
| Net (deficit)/ income     | (340)              | 300          | (429)        | 213          |

## Investment powers, policy and performance:



## Funds and reserves policy

### Movement on funds:

The decrease in net resources during the year, including investment market value changes, amounted to £117k (2016: £1,333k). The total funds carried forward at 30 September 2017 amounted to £37,531k (2016: £37,648k). The trustees report that the level of free reserves at the year-end (reported as General Fund on the Group Balance Sheet) has decreased to a surplus of £4,037k (2016: £4,280k) as analysed in the table opposite. The most significant part of unrestricted funds is invested in the Society's buildings and other fixed and heritage assets used within the Society, which are partly financed by a secured bank loan of £0.6m (2016: £0.9m).

The financial strategy of the Society is to build free reserves to the point they represent 6 months' unrestricted expenditure of the charity plus the accumulated profit and loss account reserves of its subsidiaries in order to provide adequate reserves to protect against unexpected downturns. As part of its governance review the trustees are actively developing, with the benefit of legal advice, new reserves policies for restricted and designated funds to be implemented during 2018.

## Financial management policies

### Borrowings:

The Society's borrowing facilities at 30 September 2017 comprised a 10 year term loan of £0.9m secured by a mortgage charge over the Society's premises at 1 Wimpole Street. The trustees are confident that these facilities give the Society sufficient headroom, with a good margin for contingency, to meet the Society's commitments.

### Financial reporting:

Through the preparation and approval of comprehensive budgets and regular reporting of management accounts against budget, the trustees are able to monitor the financial performance of the Society, as well as to consider the Society's exposure to major risks in terms of their likely impact on its income sources and planned expenditure, as well as assessing the best way to mitigate such risks.

## Employees

The Society aims to be an organisation where employees enjoy a sense of fulfilment and where they feel supported and developed. The Society supports equal opportunities and has recently introduced improved performance appraisal processes. The Society has also developed formal training programmes for managers in the areas of core compliance, equality and management skills.

The Society operates defined contribution pension schemes which are administered by AEGON and the National Employment Savings Trust (NEST). The AEGON scheme is the Society's scheme for all employees, who become eligible to be enrolled, if certain criteria are met, after a three month postponement period. The Society makes a minimum contribution of 7% of basic salary and employees have the option of adding a further contribution. The NEST scheme has been adopted by the Society for its casual workers and operates based on the criteria for pensions auto-enrolment with both the Society and enrolled casual workers paying pension contributions equivalent to 1% of gross pay.

In January 2017 the Society started to implement plans to pay all its staff at least the London Living Wage by early 2019.

## Future plans

The Society has a sound financial basis upon which to build for the future. Investment in new and enhanced services will clearly be balanced with the objective of ensuring that the Society's borrowings can comfortably be repaid in accordance with their terms.

Signed on behalf of the Members of Council on 30 January 2018

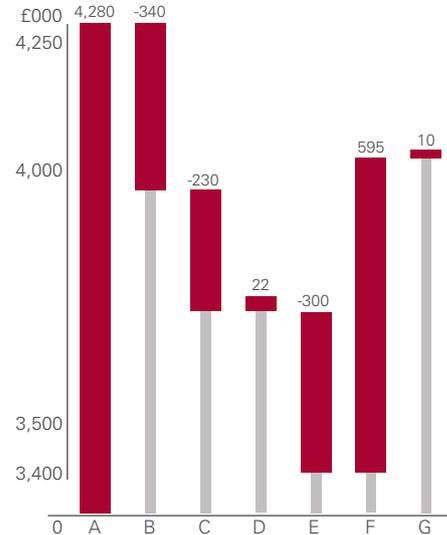


**Professor Sir Simon Wessely**  
MD FRCP FRCPsych FMedSci  
President



**Miss Rachel Hargest**  
MD FRCS  
Honorary Treasurer

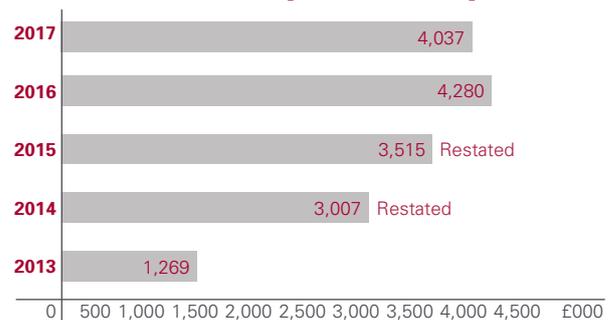
## Free reserves analysis



### KEY

- A:** Opening balance
- B:** Unrestricted net income
- C:** Transfer section and academic funds
- D:** Investment market value changes (unrestricted)
- E:** Loan repayments
- F:** Capex effect
- G:** Other designated funds

## Free reserves 5 years analysis:



## Independent auditor's report to trustees of The Royal Society of Medicine

### Opinion

We have audited the financial statements of The Royal Society of Medicine ("the Parent Charity") and its subsidiaries ("the Group") for the year ended 30 September 2017 which comprise the consolidated statement of financial activities, the consolidated and Parent Charity balance sheet, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 30 September 2017 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### 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 and the Parent Charity in accordance with the ethical requirements 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 related to going concern

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

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

#### 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 other information comprises: RSM Sections and their Presidents. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### 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 Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Trustees' Annual Report; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity 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 Trustees' Responsibilities Statement, 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 determines 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 Group's and the Parent 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 Group or the Parent Charity 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 report in accordance with the Act(s) and relevant regulations made or having effect thereunder.

This report is made solely to the Charity's trustees, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the 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 Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Fiona Condron (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick

30 January 2018

BDO LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Consolidated statement of financial activities

|   | notes | UNRESTRICTED FUNDS<br>£000 | RESTRICTED FUNDS<br>£000 | ENDOWED FUNDS<br>£000 | TOTAL FUNDS<br>2017<br>£000 | TOTAL FUNDS<br>2016<br>£000 |
|---|-------|----------------------------|--------------------------|-----------------------|-----------------------------|-----------------------------|
| <b>INCOME FROM:</b>   |       |                            |                          |                       |                             |                             |
| <b>Donations and legacies</b>   |       | 955                        | 107                      | -                     | <b>1,062</b>                | 808                         |
| <b>Other trading activities</b>   |       |                            |                          |                       |                             |                             |
| Conferencing and hospitality  |       | 7,179                      | -                        | -                     | <b>7,179</b>                | 7,186                       |
| Rental income   |       | 93                         | -                        | -                     | <b>93</b>                   | 111                         |
|   |       | 7,272                      | -                        | -                     | <b>7,272</b>                | 7,297                       |
| <b>Investments</b>  | 3     | 125                        | 135                      | -                     | <b>260</b>                  | 250                         |
| <b>Charitable activities</b>  |       |                            |                          |                       |                             |                             |
| Education:  |       |                            |                          |                       |                             |                             |
| <i>Academic programme</i>   |       | 2,398                      | -                        | -                     | <b>2,398</b>                | 2,322                       |
| <i>Information resources</i>  |       | 99                         | -                        | -                     | <b>99</b>                   | 93                          |
| Publishing  |       | 208                        | -                        | -                     | <b>208</b>                  | 196                         |
| Membership subscriptions  | 4     | 4,608                      | -                        | -                     | <b>4,608</b>                | 5,083                       |
|   |       | 7,313                      | -                        | -                     | <b>7,313</b>                | 7,694                       |
| <b>Total income</b>   |       | 15,665                     | 242                      | -                     | <b>15,907</b>               | 16,049                      |
| <b>EXPENDITURE ON:</b>  |       |                            |                          |                       |                             |                             |
| <b>Raising funds</b>  | 5     |                            |                          |                       |                             |                             |
| Fundraising costs   |       | 171                        | -                        | -                     | <b>171</b>                  | 173                         |
| Conferencing and hospitality  |       | 6,869                      | -                        | -                     | <b>6,869</b>                | 6,833                       |
| Rental income costs   |       | 97                         | -                        | -                     | <b>97</b>                   | 77                          |
| Interest  |       | 47                         | -                        | -                     | <b>47</b>                   | 80                          |
|   |       | 7,184                      | -                        | -                     | <b>7,184</b>                | 7,163                       |
| <b>Charitable activities</b>  | 5     |                            |                          |                       |                             |                             |
| Education:  |       |                            |                          |                       |                             |                             |
| <i>Academic programme</i>   |       | 4,756                      | 331                      | -                     | <b>5,087</b>                | 4,781                       |
| <i>Information resources</i>  |       | 2,773                      | -                        | -                     | <b>2,773</b>                | 2,591                       |
| Publishing  |       | 135                        | -                        | -                     | <b>135</b>                  | 155                         |
| Membership subscriptions  |       | 1,157                      | -                        | -                     | <b>1,157</b>                | 1,146                       |
|   |       | 8,821                      | 331                      | -                     | <b>9,152</b>                | 8,673                       |
| <b>Total expenditure</b>  |       | 16,005                     | 331                      | -                     | <b>16,336</b>               | 15,836                      |
| <b>NET (EXPENDITURE)/ INCOME BEFORE GAINS AND LOSSES ON INVESTMENTS</b> |       | (340)                      | (89)                     | -                     | <b>(429)</b>                | 213                         |
| Net gains on investments  | 10    | 22                         | 121                      | 169                   | <b>312</b>                  | 1,057                       |
| <b>NET INCOME</b>   |       | (318)                      | 32                       | 169                   | <b>(117)</b>                | 1,270                       |
| <b>Other recognised gains:</b>  |       |                            |                          |                       |                             |                             |
| Unrealised gain on revaluation of heritage assets                       | 11    | -                          | -                        | -                     | -                           | 63                          |
| <b>NET MOVEMENT IN FUNDS</b>  |       | (318)                      | 32                       | 169                   | <b>(117)</b>                | 1,333                       |
| <b>RECONCILIATION OF FUNDS</b>  |       |                            |                          |                       |                             |                             |
| Total funds brought forward   |       | 32,830                     | 2,724                    | 2,094                 | <b>37,648</b>               | 36,315                      |
| <b>Total funds carried forward</b>                                      | 18,19 | 32,512                     | 2,756                    | 2,263                 | <b>37,531</b>               | 37,648                      |

The Statement of Financial activities includes all gains and losses recognised in the year. All amounts relate to continuing activities. The loss for the year, including realised losses of £429k was £117k (2016: surplus of £1,333k including realised gains of £213k).

The notes on pages 22 to 34 form part of these financial statements.

## Consolidated and charity balance sheets

|  | notes | GROUP          |                | CHARITY        |                |
|--|-------|----------------|----------------|----------------|----------------|
|  |       | 2017<br>£000   | 2016<br>£000   | 2017<br>£000   | 2016<br>£000   |
| <b>FIXED ASSETS</b>  |       |                |                |                |                |
| Tangible assets  | 8     | 23,826         | 24,640         | 20,146         | 20,914         |
| Intangible assets  | 9     | 512            | 265            | 512            | 265            |
| Investments  |       |                |                |                |                |
| Property   | 10    | -              | -              | 9,000          | 9,000          |
| Investment funds   | 10    | 7,472          | 6,913          | 7,472          | 6,913          |
| Heritage assets  | 11    | 3,346          | 3,346          | 3,346          | 3,346          |
| Shares in subsidiary companies                                 | 7     | -              | -              | 2              | 2              |
| <b>TOTAL FIXED ASSETS</b>                                      |       | <b>35,156</b>  | <b>35,164</b>  | <b>40,478</b>  | <b>40,440</b>  |
| <b>CURRENT ASSETS</b>  |       |                |                |                |                |
| Stocks   | 12    | 56             | 64             | 1              | 5              |
| Debtors  | 13    | 2,218          | 2,438          | 1,631          | 1,866          |
| Short term investments   | 10    | 570            | 760            | 570            | 760            |
| Bank deposits  |       | 5,302          | 4,335          | 5,302          | 4,335          |
| Bank and cash balances   |       | 192            | 1,413          | 182            | 1,398          |
|  |       | 8,338          | 9,010          | 7,686          | 8,364          |
| <b>CREDITORS: Amounts falling due within one year</b>          | 14    | <b>(4,394)</b> | <b>(4,880)</b> | <b>(4,176)</b> | <b>(4,680)</b> |
| <b>NET CURRENT ASSETS</b>                                      |       | <b>3,944</b>   | <b>4,130</b>   | <b>3,510</b>   | <b>3,684</b>   |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 15    | <b>(1,359)</b> | <b>(1,646)</b> | <b>(1,359)</b> | <b>(1,646)</b> |
| <b>PROVISIONS FOR LIABILITIES</b>                              | 16    | <b>(210)</b>   | <b>-</b>       | <b>(210)</b>   | <b>-</b>       |
| <b>NET ASSETS</b>  | 19    | <b>37,531</b>  | <b>37,648</b>  | <b>42,419</b>  | <b>42,478</b>  |
| <b>FUNDS</b>   |       |                |                |                |                |
| Unrestricted Funds:  |       |                |                |                |                |
| Tangible fixed assets fund                                     |       | 26,784         | 27,051         | 32,104         | 32,327         |
| Other designated funds   |       | 1,691          | 1,499          | 1,691          | 1,499          |
| General fund   |       | 4,037          | 4,280          | 3,605          | 3,834          |
|  | 17    | 32,512         | 32,830         | 37,400         | 37,660         |
| Permanent endowment funds                                      | 18    | 2,263          | 2,094          | 2,263          | 2,094          |
| Restricted funds   | 18    | 2,756          | 2,724          | 2,756          | 2,724          |
| <b>TOTAL FUNDS</b>   |       | <b>37,531</b>  | <b>37,648</b>  | <b>42,419</b>  | <b>42,478</b>  |

Approved and authorised for issue on 30 January 2018 by Members of Council and signed on their behalf by:



Professor Sir Simon Wessely MD FRCP FRCPsych FMedSci



Miss Rachel Hargest FRCS

The notes on pages 22 to 34 form part of these financial statements.

## Consolidated statement of cash flows

|  | <b>2017</b><br><b>£000</b> | <b>2017</b><br><b>£000</b> | <b>2016</b><br><b>£000</b> | <b>2016</b><br><b>£000</b> |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Net cash provided by operating activities</b>                     |                            | 536                        |                            | 1,350                      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                         |                            |                            |                            |                            |
| Dividends from investments   | 248                        |                            | 228                        |                            |
| Purchase of property, plant and equipment and intangibles            | (692)                      |                            | (850)                      |                            |
| Purchase of long term investments                                    | (66)                       |                            | (362)                      |                            |
| Cash inflow from bank interest                                       | 12                         |                            | 22                         |                            |
| Proceeds from sale of short term investments                         | 55                         |                            | 362                        |                            |
| <b>Net cash used in investing activities</b>                         |                            | (443)                      |                            | (600)                      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                         |                            |                            |                            |                            |
| Repayments of loan finance: quarterly instalments paid               | (300)                      |                            | (300)                      |                            |
| Interest paid  | (47)                       |                            | (80)                       |                            |
| <b>Net cash used in financing activities</b>                         |                            | (347)                      |                            | (380)                      |
| <b>Change in cash and cash equivalents in the year</b>               |                            | (254)                      |                            | 370                        |
| Cash and cash equivalents at 1 October                               |                            | 5,748                      |                            | 5,378                      |
| <b>Cash and cash equivalents at 30 September</b>                     |                            | 5,494                      |                            | 5,748                      |
| <b>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</b>        |                            |                            |                            |                            |
| Net (expenditure)/ income for the reporting period (as per the SOFA) |                            | (429)                      |                            | 213                        |
| Adjustments for:   |                            |                            |                            |                            |
| Donation in Shares   | (46)                       |                            | (176)                      |                            |
| Depreciation   | 1,259                      |                            | 1,175                      |                            |
| Interest / Dividends   | (213)                      |                            | (170)                      |                            |
| Decrease/ (Increase) in debtors                                      | 220                        |                            | (230)                      |                            |
| Decrease in stock  | 8                          |                            | 14                         |                            |
| (Decrease)/ Increase in creditors                                    | (473)                      |                            | 524                        |                            |
| Increase in provisions   | 210                        |                            | -                          |                            |
| <b>Net cash provided by operating activities</b>                     |                            | 536                        |                            | 1,350                      |
| <b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                         |                            |                            |                            |                            |
|  |                            | <b>2017</b><br><b>£000</b> |                            | <b>2016</b><br><b>£000</b> |
| Bank and cash balances   |                            | 192                        |                            | 1,413                      |
| Bank deposits  |                            | 5,302                      |                            | 4,335                      |
| Total cash and cash equivalents                                      |                            | 5,494                      |                            | 5,748                      |

The notes on pages 22 to 34 form part of these financial statements.

# 1. ACCOUNTING POLICIES

## Basis of preparation

The accounts are prepared under the historical cost convention, except for the modification to include certain assets at valuation as specified in the accounting policies below.

The financial planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The trustees consider that the Society has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the annual report and accounts.

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) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Society meets the definition of a public benefit entity under FRS 102. As described further within the Governance section of the trustees report on page 12, it is a Charity registered with the Charity Commission in England and Wales.

In preparing the separate financial statements of the parent charity, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent charity;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The accounts include the transactions, assets and liabilities of Special Trusts which are administered by the Society. A summary of these transactions is shown in note 17.

The accounts include transactions, assets and liabilities of Royal Society of Medicine Support Services Limited, and Royal Society of Medicine International Limited (dormant) which are wholly owned subsidiaries and are run as an integral part of the Society. The subsidiaries' accounts are produced separately as required by the Companies Act 2006 and are summarised in note 8.

The Society's activities, together with factors likely to affect its future development including strategies for each area, performance and financial position, and commentary on the Society's financial activities and its cash flows are set out in the trustees report on pages 4 - 17 and elsewhere in the financial statements.

The SORP requires that income and costs are allocated where appropriate to charitable activities and to activities for raising funds. No separate SOFA has been presented for the Society alone as permitted by section 408 of the Companies Act 2006.

Total income for the Society is £8,991k (2016: £8,863k) and total expenditure is £9,467k (2016: £9,003k). The net movement in funds after investment movements and unrealised gains is £(102)k (2016: £980k).

The accounting policy in respect of payments under Gift Aid by the subsidiary, Royal Society of Medicine Support Services Limited to its parent, the Royal Society of Medicine is set out below.

## Significant judgments and key sources of estimation uncertainty

The Society's significant accounting policies are stated below. The following is intended to provide an understanding of the policies that management consider critical because of the level of complexity and judgement involved in their application and their impact on the consolidated financial statements.

## Basis of consolidation

The Group comprises the Royal Society of Medicine and its subsidiaries which are set out in note 8 to these accounts. The principal trading subsidiary is Royal Society of Medicine Support Services Limited which operates the catering, accommodation and conference activities on behalf of the Society.

The consolidated financial statements incorporate the financial statements of the Society and its subsidiaries for the year ended 30 September 2017 and the comparative period.

Subsidiaries are entities controlled by the Society. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The turnover and expenditure of the subsidiaries are included within the consolidated SOFA. The assets and liabilities are included on a line by line basis in the consolidated balance sheet in accordance with FRS 102, section 9 'Consolidated and Separate Financial Statements.' The financial statements of all Group companies are prepared using consistent accounting policies.

The following are the accounting policies adopted for material items:

## Income

- Income is included in the SOFA when the Society is legally entitled to the income, there is probability of receipt, and the amounts can be quantified with reasonable accuracy. If these conditions are not met then the income is deferred.

# ACCOUNTING POLICIES

Income is shown within four main categories in the Consolidated Statement of Financial Activities:

- Income from donations and legacies
- Income from other trading activities
- Income from investment income
- Income from charitable activities

The following specific policies apply to categories of income:

- a) Legacies and donations
- i) Donation income is recognised when received.
  - ii) Entitlement to legacy income is considered to be on the earlier of the date of payment or where there is sufficient evidence to provide the necessary probability that the legacy will be received and the value is measurable with sufficient reliability. This is defined as the point when the executor has notified the Society of probate.
  - iii) Gifts in kind for use by the Society are included in the accounts at their estimated value at the date of receipt. This is on the basis of the amount the Society would have been willing to pay to obtain equivalent facilities on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.
  - iii) Gifts in kind for use by the Society are included in the accounts at their estimated value at the date of receipt. This is on the basis of the amount the Society would have been willing to pay to obtain equivalent facilities on the open market. A corresponding amount is then recognised in expenditure in the period of receipt.
  - iv) Income from Gift Aid is recognised at the date of the receipt of the associated donation.
- b) Income from other trading activities
- i) Income from conferencing and hospitality is accounted for by the point of event date.
  - ii) Rental income is accounted for on an accruals basis.
- c) Investment income
- i) Investment income, excluding interest from bank deposit accounts, is recognised on an accruals basis.
- d) Income from charitable activities
- i) Membership subscriptions are accounted for on an accruals basis. The unexpired portion of annual subscriptions is deferred and reported under creditors in the balance sheet. Life membership income is reported over a 10 year period commencing in the month of receipt, with the unexpired balance deferred and reported under creditors.
  - ii) All other income from charitable activities is accounted for on an accruals basis.

Any income restricted to future accounting periods is deferred and recognised in those accounting periods.

## Expenditure

Expenditure is accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

The consolidated SOFA defines expenditure in two specific categories:

- Expenditure on raising funds
- Charitable activities

The expenditure on raising funds is comprised of those costs attributable to the provision of catering and accommodation services, managing the investment portfolio, rental income costs and fundraising costs which are those incurred in seeking voluntary contributions for the Society.

The expenditure on charitable activities relate to the core charitable purposes of the Society – Education (academic programme and information resources), Publishing and Membership subscriptions.

Governance costs are those associated with the governance arrangements rather than the day-to-day management of the Society. These costs are allocated to expenditure on raising funds and charitable activities on the basis of estimated service usage within each area.

Support costs represent expenditure on administration, financial management, human resources, and information systems and marketing and communications – they assist the work of the Society but do not directly undertake charitable activities. These are allocated to expenditure on raising funds and charitable activities, on the basis of headcount or on the estimated service delivered by the support service or other bases if these are more appropriate.

## Fund accounting

General Funds are unrestricted funds that are available for use at the discretion of the trustees in accordance of the general objectives of the Society.

Designated funds are unrestricted funds that represent amounts set aside at the discretion of the trustees for specific purposes. They would otherwise form part of the general reserves.

The permanent endowment funds represent capital for the permanent benefit of the Society, and the income arising forms part of either restricted or unrestricted funds.

Restricted funds are subject to specific restrictions imposed by donors. The aim and use of the major restricted funds is set out in the notes to the financial statements.

## Impairments

The carrying values of the Society's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of fair value less costs to sell the asset and its value in use. If the assets recoverable amount falls below its book value, an impairment charge is recognised to bring its book value down to the recoverable amount.

## Tangible fixed assets

Tangible fixed assets are measured at costs less accumulated depreciation and any accumulated impairment losses.

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life which is reviewed annually.

Assets under construction are not depreciated until they are brought into use.

The estimated useful lives are as follows:

### Leasehold Premises Non Fabric

50 years

### Leasehold Premises Fabric

100 years

### Plant and Office Equipment

5 to 20 years

### Major Computer systems

4 years

### Furnishings and Fittings

10 years

### Intangible Assets

10 years

## Heritage assets

Heritage assets, being the contents of the Library, have been included In Fixed Asset since the year ended 30 September 2011. The heritage assets are included at fair value based on an estimated auction value in December 2015 carried out by Bonhams for insurance purposes. The trustees consider that the value of the Library collection does not depreciate in value and, as such, no depreciation is charged.

## Investment property

The one investment property is measured at fair value at the reporting date in the charity only balance sheet and valuations will be carried out on an annual basis. This does not impact the group balance sheet where it is treated as a fixed asset at depreciated cost.

## Investments

Units in the charity-approved multi-asset portfolio Common Investment Fund are valued at the year-end market value. Quoted investments, all of which are quoted on a stock exchange, are also stated at the year-end market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

## Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises the purchase price plus labour, appropriate overhead expenses and materials used in bringing the stocks to their present location and condition.

## Debtors

Trade and other debtors are recognised at the settlement amount due, less any provision for bad or doubtful amounts. Such provisions are specific, and applied in a consistent manner based on a debts aging and other factors affecting potential recoverability.

## Short term investments

Quoted investments, all of which are quoted on a stock exchange, are stated at the year-end market value.

## Cash and cash equivalents

Cash, for the purpose of the Statement of cash flows, represents balances on hand, and those on deposits with a short maturity of three months or less. Such balances are subject to insignificant risk of changes in value, and are readily convertible.

## Creditors

Trade and other creditors are recognised at transaction price due, after allowing for any trade discounts.

Deferred income represents invoices raised and cash receipts for which income recognition criteria is not yet met, and will be satisfied in future accounting periods. Such amounts are not discounted.

## Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. The measurement of these amounts must be known, or reliably estimable, for a provision to be recognised.

## Taxation

As a registered charity, the Royal Society of Medicine is exempt from taxation of income and gains falling within Part 11 Corporation Tax Act 2010 or Section 256 Taxation of Chargeable Gains Act 1992 to the extent these are applied to its charitable objects.

## Other financial instruments

The Society has considered FRS 102 sections 11 and 12, identifying and classifying financial instruments as 'basic' and 'other.' The Society only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

## Employee benefits

The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society through a Group Stakeholder Pension Scheme. The pension costs, shown in note 8, represent contributions payable by the Society to the scheme. Short-term employee benefits, including holiday pay and contributions to the defined contribution pension scheme are recognised as an expense in the period in which they are incurred.

## Leasing contracts

The Society has three long-term lease agreements in relation to its properties. Lease premiums and other costs of acquiring long term leases, together with subsequent leasehold improvements are capitalised as tangible fixed assets in the group balance sheet and depreciated as shown in the depreciation policy above. Ongoing rentals under these leases are charged to the SOFA as they fall due under the terms of each lease.

The Society classifies the lease of printing equipment as operating leases and the title to the equipment remains with the lessor. Rentals paid under such operating leases are charged to the SOFA on a straight-line basis over the lease term.

## Translation of foreign currencies

The Society's functional and presentational currency is pound sterling. Income and expenditure items are converted at the date of the transactions. Assets and liabilities are converted at the rate ruling at the year-end. All differences are recognised in the SOFA.

## Receipt of payments from subsidiary undertaking under Gift Aid

The Society's subsidiary undertaking, Royal Society of Medicine Support Services Limited, has adopted a policy of paying all of its taxable profits being £314k (2016: £310k) to the Society, under Gift Aid in the next financial period when it is approved

by the directors of this subsidiary. An operating profit exists at the balance sheet date, on which a tax liability arises in both the subsidiary and the group. The current tax liability will be reversed in the next financial period provided that the approved post year end Gift Aid declaration is settled within nine months of the reporting date. The Gift Aid payments are therefore recognised as distributions through equity.

## 2. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

Charities SORP(FRS 102) require the disclosure of comparative SOFA information on a fund specific basis, such that each column presented for the current period has an associated comparative, and this information is given below.

|  | notes     | UNRESTRICTED FUNDS<br>£000 | RESTRICTED FUNDS<br>£000 | ENDOWED FUNDS<br>£000 | TOTAL FUNDS 2016<br>£000 |
|--|-----------|----------------------------|--------------------------|-----------------------|--------------------------|
| <b>INCOME FROM:</b>                                      |           |                            |                          |                       |                          |
| <b>Donations and legacies</b>                            |           | 673                        | 135                      | -                     | <b>808</b>               |
| <b>Other trading activities</b>                          |           |                            |                          |                       |                          |
| Conferencing and hospitality                             |           | 7,186                      | -                        | -                     | <b>7,186</b>             |
| Rental income  |           | 111                        | -                        | -                     | <b>111</b>               |
|  |           | <u>7,297</u>               | <u>-</u>                 | <u>-</u>              | <u><b>7,297</b></u>      |
| <b>Investments</b>                                       | <b>3</b>  | 119                        | 131                      | -                     | <b>250</b>               |
| <b>Charitable activities</b>                             |           |                            |                          |                       |                          |
| Education:   |           |                            |                          |                       |                          |
| <i>Academic programme</i>                                |           | 2,322                      | -                        | -                     | <b>2,322</b>             |
| <i>Information resources</i>                             |           | 93                         | -                        | -                     | <b>93</b>                |
| Publishing   |           | 196                        | -                        | -                     | <b>196</b>               |
| Membership subscriptions                                 | <b>4</b>  | 5,083                      | -                        | -                     | <b>5,083</b>             |
|  |           | <u>7,694</u>               | <u>-</u>                 | <u>-</u>              | <u><b>7,694</b></u>      |
| <b>Total income</b>                                      |           | <b>15,783</b>              | <b>266</b>               | <b>-</b>              | <b>16,049</b>            |
| <b>EXPENDITURE ON:</b>                                   |           |                            |                          |                       |                          |
| <b>Raising funds</b>                                     | <b>5</b>  |                            |                          |                       |                          |
| Fundraising costs  |           | 173                        | -                        | -                     | <b>173</b>               |
| Conferencing and hospitality                             |           | 6,833                      | -                        | -                     | <b>6,833</b>             |
| Rental income costs                                      |           | 77                         | -                        | -                     | <b>77</b>                |
| Interest   |           | 80                         | -                        | -                     | <b>80</b>                |
|  |           | <u>7,163</u>               | <u>-</u>                 | <u>-</u>              | <u><b>7,163</b></u>      |
| <b>Charitable activities</b>                             | <b>5</b>  |                            |                          |                       |                          |
| Education:   |           |                            |                          |                       |                          |
| <i>Academic programme</i>                                |           | 4,428                      | 353                      | -                     | <b>4,781</b>             |
| <i>Information resources</i>                             |           | 2,591                      | -                        | -                     | <b>2,591</b>             |
| Publishing   |           | 155                        | -                        | -                     | <b>155</b>               |
| Membership subscriptions                                 |           | 1,146                      | -                        | -                     | <b>1,146</b>             |
|  |           | <u>8,320</u>               | <u>353</u>               | <u>-</u>              | <u><b>8,673</b></u>      |
| <b>Total expenditure</b>                                 |           | <b>15,483</b>              | <b>353</b>               | <b>-</b>              | <b>15,836</b>            |
| <b>NET INCOME BEFORE GAINS AND LOSSES ON INVESTMENTS</b> |           | <b>300</b>                 | <b>(87)</b>              | <b>-</b>              | <b>213</b>               |
| Net gains on investments                                 | <b>10</b> | 668                        | 169                      | 220                   | <b>1,057</b>             |
| Other recognised gains:                                  |           |                            |                          |                       |                          |
| Unrealised gain on revaluation of heritage assets        | <b>10</b> | 63                         | -                        | -                     | <b>63</b>                |
| <b>NET MOVEMENT IN FUNDS IN PRIOR YEAR</b>               |           | <b>1,031</b>               | <b>82</b>                | <b>220</b>            | <b>1,333</b>             |

# NOTES TO THE FINANCIAL STATEMENTS

| 3 INVESTMENT INCOME | 2017<br>£000 | 2016<br>£000 |
|---------------------|--------------|--------------|
| Dividends           | 248          | 228          |
| Bank interest       | 12           | 22           |
|                     | 260          | 250          |

| 4 MEMBERSHIP SUBSCRIPTIONS            | 2017<br>£000 | 2016<br>£000 |
|---------------------------------------|--------------|--------------|
| Membership subscription fees received | 4,933        | 5,179        |
| Deferred to following years           | (2,339)      | (2,277)      |
| Released into income                  | 2,014        | 2,181        |
| Net adjustment                        | (325)        | (96)         |
| <b>Net membership subscriptions</b>   | 4,608        | 5,083        |

## 5 ANALYSIS OF EXPENDITURE

| (a) SUPPORT COSTS                | Governance<br>£000 | Facilities<br>Management<br>£000 | IT<br>£000 | Management<br>& Admin<br>£000 | Total 2017<br>£000 | Total 2016<br>£000 |
|----------------------------------|--------------------|----------------------------------|------------|-------------------------------|--------------------|--------------------|
| <b>Cost of generating funds</b>  |                    |                                  |            |                               |                    |                    |
| Fundraising costs                | 10                 | 14                               | 8          | 10                            | 42                 | 45                 |
| Conferencing and hospitality     | -                  | 636                              | 185        | 275                           | 1,096              | 1,165              |
| Rental income                    | -                  | 39                               | -          | 16                            | 55                 | 47                 |
|                                  | 10                 | 689                              | 193        | 301                           | 1,193              | 1,257              |
| <b>Charitable expenditure</b>    |                    |                                  |            |                               |                    |                    |
| Education: Academic programme    | 58                 | 308                              | 313        | 609                           | 1,288              | 1,209              |
| Education: Information resources | 15                 | 446                              | 91         | 145                           | 697                | 635                |
| Publishing                       | 4                  | -                                | -          | 1                             | 5                  | 16                 |
| Membership subscriptions         | 107                | 10                               | 115        | 277                           | 509                | 509                |
|                                  | 184                | 764                              | 519        | 1,032                         | 2,499              | 2,369              |
| <b>Total Support Costs</b>       | 194                | 1,453                            | 712        | 1,333                         | 3,692              | 3,626              |

Support costs are allocated to the costs of generating funds and charitable expenditure on the basis of headcount or on the estimated service delivered by the support service or other bases if these are more appropriate.

| (b) EXPENDITURE                              | Staff Costs<br>£000 | Support Costs<br>£000 | Other<br>£000 | Depreciation<br>£000 | Total 2017<br>£000 | Total 2016<br>£000 |
|--|---------------------|-----------------------|---------------|----------------------|--------------------|--------------------|
| <b>Expenditure on raising funds:</b>         |                     |                       |               |                      |                    |                    |
| Fundraising costs                            | 97                  | 42                    | 20            | 12                   | 171                | 173                |
| Conferencing and hospitality                 | 3,303               | 1,096                 | 1,920         | 550                  | 6,869              | 6,833              |
| Rental income costs                          | -                   | 55                    | 8             | 34                   | 97                 | 77                 |
| Interest cost                                | -                   | -                     | 47            | -                    | 47                 | 80                 |
|  | 3,400               | 1,193                 | 1,995         | 596                  | 7,184              | 7,163              |
| <b>Expenditure on charitable activities:</b> |                     |                       |               |                      |                    |                    |
| Education: Academic programme                | 1,142               | 1,288                 | 2,390         | 267                  | 5,087              | 4,781              |
| Education: Information resources             | 635                 | 697                   | 1,054         | 387                  | 2,773              | 2,591              |
| Publishing                                   | 53                  | 5                     | 77            | -                    | 135                | 155                |
| Membership subscriptions                     | 340                 | 509                   | 299           | 9                    | 1,157              | 1,146              |
|  | 2,170               | 2,499                 | 3,820         | 663                  | 9,152              | 8,673              |
| <b>Total expenditure</b>                     | 5,570               | 3,692                 | 5,815         | 1,259                | 16,336             | 15,836             |

| Auditor's fees and expenses include the following:             | Total 2017<br>£000 | Total 2016<br>£000 |
|--|--------------------|--------------------|
| Fees payable to the auditors of The Royal Society of Medicine: |                    |                    |
| in respect of the charity audit                                | 21                 | 30                 |
| in respect of the subsidiary audits                            | 7                  | 5                  |
| Other non-audit services:                                      |                    |                    |
| in respect of taxation compliance                              | 4                  | 11                 |
| in respect of other assurance reports                          | -                  | -                  |
| in respect of other services                                   | 6                  | 14                 |
| <b>Total fees payable to auditor</b>                           | 38                 | 60                 |

# NOTES TO THE FINANCIAL STATEMENTS

## 6 EMPLOYEE COSTS

Members of Council do not receive remuneration. The total sum relating to reimbursement of expenses and benefits for accommodation amounted to £1,873 for 5 members (2016: £1,706 for 5 members).

### The average number of persons employed during the period on a full-time equivalent basis was:

|   | Total 2017<br>Number | Total 2016<br>Number |
|---|----------------------|----------------------|
| Generating voluntary income                         | 1                    | 1                    |
| Generating income from conferencing and hospitality | 154                  | 158                  |
| Education: Academic programme                       | 33                   | 34                   |
| Education: Information resources                    | 18                   | 19                   |
| Membership subscriptions                            | 6                    | 6                    |
| Governance  | 2                    | 2                    |
| Support functions                                   | 22                   | 26                   |
| <b>Total number of persons</b>                      | 236                  | 246                  |

### Total employment costs were:

|   | Total 2017<br>£000 | Total 2016<br>£000 |
|---|--------------------|--------------------|
| Staff costs amounted to:                          |                    |                    |
| Wages and salaries                                | 5,368              | 5,391              |
| Social security costs                             | 514                | 504                |
| Defined contribution pension costs/life assurance | 500                | 487                |
| Termination payments                              | -                  | 20                 |
| Other employment costs                            | 842                | 1,002              |
| <b>Total employment costs</b>                     | 7,224              | 7,404              |

Staff costs of £1,654,000 (2016: £1,859,000) are included within Support Costs above in note 5. All staff are employed by Royal Society of Medicine Support Services Limited and their costs are recharged to the Society. The above analysis includes the recharged amounts and represents the group costs. Wages and salaries are shown before any deduction for salary sacrifice arrangements.

The number of employees whose gross remuneration and taxable benefits but not employer pension costs exceeded £60,000 and fell within the following ranges were:

|   | 2017<br>No. | 2016<br>No. |
|---|-------------|-------------|
| The number of employees in the following payroll bands were as follows:   |             |             |
| £70,001 to £80,000  | 3           | 3           |
| £80,001 to £90,000  | 1           | -           |
| £90,001 to £100,000   | 3           | 3           |
| £130,001 to £140,000  | 1           | 1           |
| £150,001 to £160,000  | -           | 1           |
| Pension contributions paid into a defined contribution scheme in respect of the above identified higher paid employees amounted to: | £000<br>119 | £000<br>136 |

### Key management personnel

The key management personnel are the Executive team (listed on page 15). The total employee benefits (including pension) paid to key management personnel was £900k (2016: £942k).

The remuneration during the year for Ian Balmer (resigned 31 December 2016), Chief Executive, comprised salary payments of £39,406 and benefits in kind of £676, totalling £40,082. The value of employer contributions during the year to the Royal Society of Medicine defined contribution pension scheme was £7,881.

The remuneration during the year for Helen Gordon (appointed 1 March 2017), Chief Executive, comprised salary payments of £82,833. The value of employer contributions during the year to the Royal Society of Medicine defined contribution pension scheme was £14,496.

Mark Johnstone, Finance Director, received a salary of £130,000, and benefits in kind of £2,990, totalling £132,990. The value of employer contributions during the year to the Royal Society of Medicine defined contribution pension scheme was £26,000.

## 7 SUBSIDIARIES

The Society has two wholly-owned subsidiaries. It holds 1,000 ordinary shares of £1 each in Royal Society of Medicine Support Services Limited (RSMSS Ltd Company No. 2820374) which operates the catering, accommodation and conference activities on behalf of the Society. RSMSS Ltd Gift Aids its taxable profit to the Society. The Society also holds 1,000 ordinary shares of £1 each in Royal Society of Medicine International Limited (Company No. 08781651) which was incorporated in 2014. A summary of their results and summary balance sheets is provided as follows:

|   | RSMSS Ltd            |                      | RSM International Ltd |                      |
|---|----------------------|----------------------|-----------------------|----------------------|
| PROFIT AND LOSS ACCOUNTS                  | 2017<br>£000         | 2016<br>£000         | 2017<br>£000          | 2016<br>£000         |
| Turnover                                  | 7,179                | 7,186                | -                     | -                    |
| Cost of sales                             | (4,069)              | (4,049)              | -                     | -                    |
| Gross profit                              | 3,110                | 3,137                | -                     | -                    |
| Administrative expenses                   | (2,796)              | (2,827)              | -                     | -                    |
| Profit for the year before taxation       | 314                  | 310                  | -                     | -                    |
| Tax charge                                | (60)                 | (62)                 | -                     | -                    |
| Retained profit for the year              | 254                  | 248                  | -                     | -                    |
| <b>BALANCE SHEETS</b>                     | <b>2017<br/>£000</b> | <b>2016<br/>£000</b> | <b>2017<br/>£000</b>  | <b>2016<br/>£000</b> |
| Tangible fixed assets                     | -                    | -                    | -                     | -                    |
| Stocks                                    | 52                   | 59                   | -                     | -                    |
| Debtors                                   | 1,010                | 951                  | 1                     | 1                    |
| Bank balances                             | 10                   | 11                   | -                     | -                    |
| Creditors                                 | (642)                | (584)                | -                     | -                    |
| Net assets and share capital and reserves | 430                  | 437                  | 1                     | 1                    |

## 8 TANGIBLE FIXED ASSETS

| Group                                      | Leasehold<br>Premises<br>£000 | Furnishings<br>and Fittings<br>£000 | Plant, Vehicles<br>& Office<br>Equipment<br>£000 | Group Total<br>£000 |
|--|-------------------------------|-------------------------------------|--|---------------------|
| Cost or Valuation                          |                               |                                     |  |                     |
| At 1 October 2016                          | 27,091                        | 600                                 | 10,583   | 38,274              |
| Additions                                  | -                             | -                                   | 271  | 271                 |
| At 30 September 2017                       | 27,091                        | 600                                 | 10,854   | 38,545              |
| Depreciation                               |                               |                                     |  |                     |
| At 1 October 2016                          | 5,474                         | 564                                 | 7,596  | 13,634              |
| Charge for year                            | 391                           | 11                                  | 683  | 1,085               |
| At 30 September 2017                       | 5,865                         | 575                                 | 8,279  | 14,719              |
| <b>Net Book Value at 30 September 2017</b> | <b>21,226</b>                 | <b>25</b>                           | <b>2,575</b>                                     | <b>23,826</b>       |
| Net Book Value at 30 September 2016        | 21,617                        | 36                                  | 2,987  | 24,640              |

The insured value of the assets (insurance brokers, Honour Point) included in Leasehold Premises as at 30 September 2017, including Domus refurbishment, is £67.7m (2016: £53.7m).

| Charity                                    | Leasehold<br>Premises<br>£000 | Furnishings<br>and Fittings<br>£000 | Plant, Vehicles &<br>Office Equipment<br>£000 | Charity Total<br>£000 |
|--|-------------------------------|-------------------------------------|---|-----------------------|
| Cost or Valuation                          |                               |                                     |   |                       |
| At 1 October 2016                          | 22,696                        | 600                                 | 10,583  | 33,879                |
| Additions                                  | -                             | -                                   | 271   | 271                   |
| At 30 September 2017                       | 22,696                        | 600                                 | 10,854  | 34,150                |
| Depreciation                               |                               |                                     |   |                       |
| At 1 October 2016                          | 4,805                         | 564                                 | 7,596   | 12,965                |
| Charge for year                            | 345                           | 11                                  | 683   | 1,039                 |
| At 30 September 2017                       | 5,150                         | 575                                 | 8,279   | 14,004                |
| <b>Net Book Value at 30 September 2017</b> | <b>17,546</b>                 | <b>25</b>                           | <b>2,575</b>                                  | <b>20,146</b>         |
| Net Book Value at 30 September 2016        | 17,891                        | 36                                  | 2,987   | 20,914                |

# NOTES TO THE FINANCIAL STATEMENTS

## 9 INTANGIBLE FIXED ASSETS

| Group and Charity                          | Software<br>£000 | Assets in course of<br>construction<br>£000 | Total<br>£000 |
|--|------------------|---|---------------|
| Cost or Valuation                          |                  |   |               |
| At 1 October 2016                          | 893              | -   | 893           |
| Additions                                  | 303              | 118   | 421           |
| At 30 September 2017                       | 1,196            | 118   | 1,314         |
| Depreciation                               |                  |   |               |
| At 1 October 2016                          | 628              | -   | 628           |
| Charge for year                            | 174              | -   | 174           |
| At 30 September 2017                       | 802              | -   | 802           |
| <b>Net Book Value at 30 September 2017</b> | 394              | 118   | 512           |
| Net Book Value at 30 September 2016        | 265              | -   | 265           |

## 10 INVESTMENTS

| Long term investments:                | Charity<br>Total 2017<br>£000 | Total 2016<br>£000 |
|---------------------------------------|-------------------------------|--------------------|
| <b>Property</b>                       |                               |                    |
| <b>Carrying value (fair value)</b>    |                               |                    |
| Market value 1 October 2016           | 9,000                         | 10,500             |
| Unrealised (losses)                   | -                             | (1,500)            |
| <b>Market value 30 September 2017</b> | 9,000                         | 9,000              |

The one investment property (Chandos House) is included at valuation on an open market basis.

It is valued by the trustees taking into account valuation guidance by the Society's property advisers, Cluttons.

### Investment funds

|  | Group and Charity  |                    |
|--|--------------------|--------------------|
|  | Total 2017<br>£000 | Total 2016<br>£000 |
| Market value 1 October 2016  | 6,913              | 5,901              |
| Additions at cost  | 66                 | 362                |
| Market value gains   | 493                | 650                |
| <b>Market value 30 September 2017</b>                                  | 7,472              | 6,913              |
| <b>Short term investments:</b>   |                    |                    |
| Market value 1 October 2016  | 760                | 539                |
| Additions at cost  | 46                 | 176                |
| Disposal   | (55)               | (362)              |
| Market value (losses)/ gains   | (181)              | 407                |
| <b>Market value 30 September 2017</b>                                  | 570                | 760                |
| The total market value at 30 September comprises:                      |                    |                    |
| Units in charity-approved multi-asset portfolio Common Investment Fund | 7,472              | 6,913              |
| Investments quoted on recognised stock exchange                        | 570                | 760                |
| <b>Total Investment Funds</b>  | 8,042              | 7,673              |

## 11 HERITAGE ASSETS

| Books and manuscripts          | Group and Charity  |                    |
|--------------------------------|--------------------|--------------------|
|                                | Total 2017<br>£000 | Total 2016<br>£000 |
| Value 1 October 2016           | 3,346              | 3,283              |
| Unrealised gains               | -                  | 63                 |
| <b>Value 30 September 2017</b> | 3,346              | 3,346              |

The Society's heritage assets comprise its collection of books and manuscripts held in the Society's Library. They are included in the balance sheet at their external valuation most recently carried out in December 2015 by Bonhams for insurance purposes, at their estimated auction value. The valuation in December 2015 is still deemed to be appropriate as there has been minimal movement in the insurance/realisable value expected.

There have been no additions, disposals or impairments in the periods represented.

**Five year financial summary of heritage asset transactions:**

|                       | <b>2017</b><br><b>£000</b> | <b>2016</b><br><b>£000</b> | <b>2015</b><br><b>£000</b> | <b>2014</b><br><b>£000</b> | <b>2013</b><br><b>£000</b> |
|-----------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Books and manuscripts | 3,346                      | 3,346                      | 3,283                      | 3,283                      | 3,283                      |

All heritage assets are maintained and managed through the heritage asset register which is overseen by the Director of Library Services.

The preservation of these assets is the responsibility of the Director of Library Services.

The Society has exhibited these assets in the past through exhibitions held for public benefit.

**12 STOCKS**

|                  | <b>GROUP</b>               |                            | <b>CHARITY</b>             |                            |
|------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                  | <b>2017</b><br><b>£000</b> | <b>2016</b><br><b>£000</b> | <b>2017</b><br><b>£000</b> | <b>2016</b><br><b>£000</b> |
| Goods for resale | 56                         | 64                         | 1                          | 5                          |
|                  | 56                         | 64                         | 1                          | 5                          |

The amount of stocks recognised as an expense in cost of sales is £866k (2016: £1,247k).

**13 DEBTORS**

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Trade debtors                            | 696   | 815   | 109   | 101   |
| Other debtors                            | 202   | 181   | 202   | 167   |
| Prepayments and accrued income           | 1,320 | 1,442 | 1,320 | 1,442 |
| Amounts due from subsidiary undertakings | -     | -     | -     | 156   |
|  | 2,218 | 2,438 | 1,631 | 1,866 |

**14 CREDITORS: Amounts due within one year**

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Bank loan  | 300   | 300   | 300   | 300   |
| Trade creditors                                  | 661   | 1,393 | 339   | 1,164 |
| Accrued expenses/deferred income                 | 1,328 | 1,294 | 1,207 | 1,161 |
| Membership subscription income deferred (note 4) | 1,580 | 1,531 | 1,580 | 1,531 |
| Tax and social security                          | 371   | 251   | 173   | 30    |
| Amounts due to subsidiary undertakings           | -     | -     | 424   | 383   |
| Other creditors                                  | 154   | 111   | 153   | 111   |
|  | 4,394 | 4,880 | 4,176 | 4,680 |

**15 CREDITORS: Amounts falling due after more than one year**

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Membership subscription income deferred (note 4) | 759   | 746   | 759   | 746   |
| Bank loan  | 600   | 900   | 600   | 900   |
|  | 1,359 | 1,646 | 1,359 | 1,646 |

On 15 September 2010, the Society entered into a £6m 10 year term loan with Lloyds TSB Bank plc. The loan from Lloyds TSB is secured by a fixed and floating charge over the Society's leasehold premises at 1/1A Wimpole Street and interest is payable at 2.5% over LIBOR. For this reason, it is deemed to represent a basic financial instrument under the conditions specified by FRS 102, section 11.9 'Basic Financial instruments,' and is measured using the amortised cost model.

|                            |     |     |     |     |
|----------------------------|-----|-----|-----|-----|
| Between one and two years  | 300 | 300 | 300 | 300 |
| Between two and five years | 300 | 600 | 300 | 600 |
|                            | 600 | 900 | 600 | 900 |

**16 PROVISIONS FOR LIABILITIES**

|           |     |   |     |   |
|-----------|-----|---|-----|---|
| Provision | 210 | - | 210 | - |
|           | 210 | - | 210 | - |

Following professional advice regarding a complex regulatory and legal matter concerning the Society's operations in the past, the trustees have resolved to make a provision in the event that, in the future, the Society becomes liable for an amount arising from such operations.

# NOTES TO THE FINANCIAL STATEMENTS

## 17 MOVEMENT IN UNRESTRICTED FUNDS - GROUP

|                           | Balance 2016 | Transfers | Net incoming Resources | Net investment gains | Balance 2017 |
|---------------------------|--------------|-----------|------------------------|----------------------|--------------|
|                           | £000         | £000      | £000                   | £000                 | £000         |
| General                   | 4,280        | (220)     | (35)                   | 12                   | 4,037        |
| Designated Funds:         |              |           |                        |                      |              |
| Fixed Assets              | 27,051       | (10)      | (257)                  | -                    | 26,784       |
| Educational Funds         | 201          | -         | 6                      | 10                   | 217          |
| Sections' funds (note 21) | 1,248        | 220       | (44)                   | -                    | 1,424        |
| Academic Fund (note 21)   | 50           | 10        | (10)                   | -                    | 50           |
|                           | 32,830       | -         | (340)                  | 22                   | 32,512       |

The Tangible Fixed Assets Fund represents the net book value of fixed and heritage assets at 30 September 2017 after deducting related loan balances.

The designated educational funds represent moneys set aside predominantly to support Sections as described in note 21. The trustees are seeking legal advice with the intention of formalising policy for the spending of designated funds in the next financial year.

## 18 PERMANENT ENDOWMENT AND RESTRICTED FUNDS - GROUP AND CHARITY

|                                    | Permanent endowment funds |                                     |                      | Restricted funds     |                                     |                     | Balance 2017<br>£000 |
|------------------------------------|---------------------------|-------------------------------------|----------------------|----------------------|-------------------------------------|---------------------|----------------------|
|                                    | Balance 2016<br>£000      | New money/<br>gains on invt<br>£000 | Balance 2017<br>£000 | Balance 2016<br>£000 | New money/<br>gains on invt<br>£000 | Expenditure<br>£000 |                      |
| ALARM Fund                         | -                         | -                                   | -                    | 38                   | 3                                   | (12)                | 29                   |
| Coloproctology Funds               | 37                        | 3                                   | 40                   | 51                   | 1                                   | (3)                 | 49                   |
| Cowley Fund                        | 93                        | 8                                   | 101                  | 22                   | 3                                   | -                   | 25                   |
| Dobson Bequest                     | -                         | -                                   | -                    | 64                   | 4                                   | -                   | 68                   |
| Dowling Endowment                  | 56                        | 5                                   | 61                   | 12                   | 2                                   | -                   | 14                   |
| Ellison Cliffe Lecture             | 153                       | 12                                  | 165                  | 12                   | 36                                  | (3)                 | 45                   |
| M Feivel                           | -                         | -                                   | -                    | 41                   | 4                                   | (1)                 | 44                   |
| Finzi Bequest                      | -                         | -                                   | -                    | 319                  | 25                                  | (2)                 | 342                  |
| Louis Forman Fund                  | -                         | -                                   | -                    | 192                  | 16                                  | -                   | 208                  |
| W Gibson Research Scholarship      | 35                        | 3                                   | 38                   | 13                   | 1                                   | -                   | 14                   |
| Global Health Film Club            | -                         | -                                   | -                    | 28                   | -                                   | (28)                | -                    |
| John Glynn Young Fellows Prize     | 37                        | 3                                   | 40                   | 4                    | 1                                   | -                   | 5                    |
| International Relations            | -                         | -                                   | -                    | 214                  | 24                                  | (111)               | 127                  |
| Jephcott Lecture Fund              | 958                       | 77                                  | 1,035                | 121                  | 31                                  | (18)                | 134                  |
| Richard Kovacs Fund                | 144                       | 12                                  | 156                  | 70                   | 5                                   | -                   | 76                   |
| G Levene Memorial Fund             | -                         | -                                   | -                    | 84                   | 6                                   | (2)                 | 88                   |
| Library Restricted Fund            | -                         | -                                   | -                    | 49                   | 5                                   | (3)                 | 51                   |
| London Clinic                      | -                         | -                                   | -                    | 43                   | -                                   | (8)                 | 35                   |
| Mental Health Initiatives          | -                         | -                                   | -                    | -                    | 25                                  | -                   | 25                   |
| Ophthalmology Fund                 | 46                        | 4                                   | 50                   | 15                   | 1                                   | (2)                 | 14                   |
| Rank Fund                          | -                         | -                                   | -                    | 293                  | 29                                  | (41)                | 281                  |
| Smith Kline French                 | 128                       | 10                                  | 138                  | 31                   | 4                                   | -                   | 35                   |
| Stevens Fund                       | -                         | -                                   | -                    | 375                  | 34                                  | (25)                | 385                  |
| Lord Soulsby                       | -                         | -                                   | -                    | 100                  | -                                   | -                   | 100                  |
| Various Funds of less than £30,000 | 407                       | 32                                  | 439                  | 533                  | 103                                 | (72)                | 563                  |
| <b>Totals</b>                      | <b>2,094</b>              | <b>169</b>                          | <b>2,263</b>         | <b>2,724</b>         | <b>363</b>                          | <b>(331)</b>        | <b>2,756</b>         |

## RESOURCES EXPENDED

Details of the major funds (over £100,000) are as follows:

- Cowley Fund - To fund RSM general purposes
- Ellison-Cliffe Lecture - To fund an annual lecture on fundamental sciences in advancement of medicine
- Finzi Bequest - To fund purposes for the benefit of the Section of Radiology, including an annual lecture
- Global Health Film Club - Fund to be applied to funding the Global Health Film initiative on the basis of the budget presented to the Bill & Melinda Gates Foundation
- Louis Forman Fund - To fund dermatology research with a view to publication and a prize awarded by the Dermatology Section
- International Relations - To fund the advancement of medicine by promoting a closer association between members of the medical profession and allied branches throughout the world, including in the area of Global Health
- Jephcott Lecture - To fund a series of lectures on a scientific and/or medical subject. Surplus income is available to be applied for other educational purposes, with priority to science and medicine
- Richard Kovacs Fund - To fund a triennial lecture/visiting professorship organised by the Section of Rheumatology and Rehabilitation
- Rank Fund - The capital and income to be used to fund audio-visual content, in particular e-learning, including that spent by RSM Press
- Smith Kline French Fund - The income to be used for speakers' travel/accommodation expenses, and foreign business travel expenses of RSM representatives
- Stevens Fund - To fund the advancement of medical knowledge by the general public and to promote a closer understanding between the general public and the medical profession
- Lord Soulsby Fund - To fund a medical or veterinary post-doctoral student to carry out some aspect of their research by studying abroad on a topic related to the concept of "One Health" internationally.

## 19 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

|  | Unrestricted funds | Designated funds | Endowment funds | Restricted funds | Total funds   |
|--|--------------------|------------------|-----------------|------------------|---------------|
|  | £000               | £000             | £000            | £000             | £000          |
| Tangible, intangible and heritage assets | -                  | 27,684           | -               | -                | 27,684        |
| Fixed asset investments                  | 3,270              | 166              | 2,263           | 1,773            | 7,472         |
| Current assets                           | 5,830              | 1,525            | -               | 983              | 8,338         |
| Current liabilities                      | (4,094)            | (300)            | -               | -                | (4,394)       |
| Liabilities due after more than one year | (759)              | (600)            | -               | -                | (1,359)       |
| Provisions for liabilities               | (210)              | -                | -               | -                | (210)         |
| <b>Group Net Assets</b>                  | <b>4,037</b>       | <b>28,475</b>    | <b>2,263</b>    | <b>2,756</b>     | <b>37,531</b> |

## 20 FINANCIAL COMMITMENTS

### (i) Operating leases

The total of future minimum rentals payable under non-cancellable operating leases at 30 September 2017 is £14k (2016: £14k)

These are plant and machinery leases; £10k will be payable next year.

### (ii) Capital commitments

Capital expenditure contracted for, but not provided in the financial statements, was £693k (2016: £nil).

# NOTES TO THE FINANCIAL STATEMENTS

## 21 SECTION FUND BALANCES AND ACADEMIC FUND

Under the Section Finance Guidelines adopted by the Society's Council in 2009, the financial results of Sections' meeting programmes are shared with the Academic Fund (designed to fund academically strong but financially weak Sections) with the balance available to the Section to spend in accordance with the Society's educational charitable objectives.

All such balances are held as designated funds, as scheduled below.

| Section                                  | Year end balance<br>£ | Section                            | Year end balance<br>£ |
|--|-----------------------|------------------------------------|-----------------------|
| Anaesthesia                              | 40,347                | Military Medicine                  | 23,890                |
| Black & Ethnic Medicine                  | 998                   | Occupational Medicine              | 9,922                 |
| Cardiology                               | 44,556                | Open                               | 3,891                 |
| Cardiothoracic                           | 16,411                | Ophthalmology                      | 114,421               |
| Catastrophes and Conflict                | -                     | Orthopaedics                       | 87,109                |
| Clinical Forensic & Legal Medicine       | 9,210                 | Otology                            | 24,449                |
| Clinical Immunology & Allergy            | 21,998                | Paediatrics & Child Health         | 103,840               |
| Clinical Neurosciences                   | 15,445                | Pain Medicine Section              | 17,686                |
| Coloproctology                           | 9,075                 | Palliative Care                    | 27,809                |
| Comparative Medicine                     | 309                   | Pathology                          | 16,031                |
| Critical Care                            | 22,693                | Patient Safety                     | 18,743                |
| Dermatology                              | 36,112                | Pharmaceutical Medicine & Research | (5,131)               |
| Emergency Medicine                       | 24,528                | Plastic Surgery                    | 13,464                |
| Endocrinology & Diabetes                 | 39,238                | Psychiatry                         | 65,427                |
| Epidemiology & Public Health             | (8,351)               | Quality in Healthcare              | (659)                 |
| Food & Health Forum                      | 14,387                | Radiology                          | 84,136                |
| Gastroenterology & Hepatology            | 21,788                | Respiratory Medicine               | 56,131                |
| General Practice with Primary Healthcare | 31,188                | Retired Fellows                    | 15,212                |
| Geriatrics & Gerontology                 | 9,034                 | Rheumatology & Rehabilitation      | 11,167                |
| Histopathology                           | 0                     | Sexuality & Sexual Health          | 5,416                 |
| History of Medicine                      | 10,609                | Sleep Medicine                     | 12,627                |
| Hypnosis & Psychosomatic Medicine        | 9,217                 | Sport & Exercise Medicine          | 3,684                 |
| Intellectual Disability                  | (1,541)               | Students                           | 24,621                |
| Laryngology & Rhinology                  | 27,951                | Surgery                            | 17,325                |
| Lipids, Metabolism & Vascular Risk       | 16,658                | Technology in Medicine             | (5,346)               |
| Maternity and the Newborn                | 13,224                | Telemedicine & eHealth             | 35,703                |
| Medical Genetics                         | 6,343                 | Trainees                           | 14,644                |
| Nephrology                               | 21,126                | Urology                            | 79,462                |
| Obstetrics & Gynaecology                 | 19,716                | Vascular Medicine                  | 11,313                |
| Odontology                               | (10,045)              | Venous Forum                       | 55,510                |
| Oncology                                 | 7,345                 | <b>Total Section Funds</b>         | <b>1,424,015</b>      |
| Oral & Maxillofacial Surgery             | 11,950                | <b>Total Academic Fund</b>         | <b>50,000</b>         |

## 22 CONTINGENT LIABILITIES

There were no contingent liabilities requiring disclosure.

## 23 POST BALANCE SHEET EVENTS

There were no post balance sheet events requiring disclosure.

## 24 RELATED PARTY TRANSACTIONS

The Society has considered the disclosure requirements of the SORP for charities and FRS 102 'Related Party Disclosures' and believes that there are no such transactions during this financial year.

In accordance with FRS 102, transactions entered into between the Society and its wholly owned subsidiaries are not disclosed.

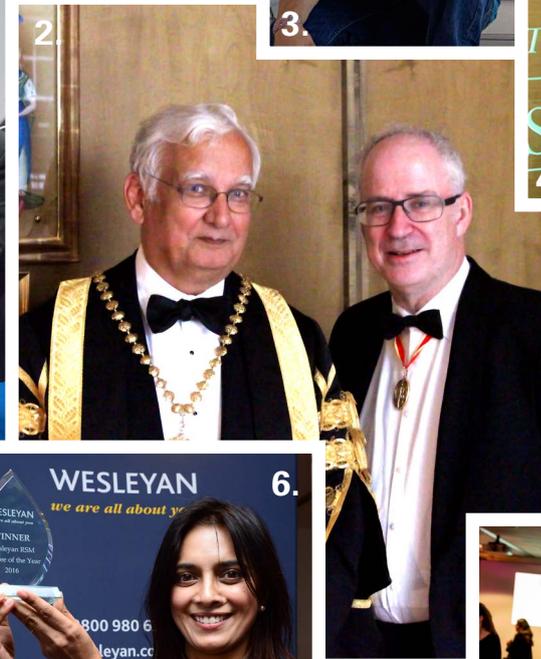
# RSM Sections and their Presidents

| Section                                  | President 2017/18              | President 2016/17              |
|--|--------------------------------|--------------------------------|
| Anaesthesia                              | Dr Andrew Hartle               | Dr Andrea Wraith               |
| Cardiology                               | Professor Mark O'Neill         | Professor Mark O'Neill         |
| Cardiothoracic                           | Mr Rammohan Kandadai Seshadri  | Mr Jonathan Hyde               |
| Clinical Forensic & Legal Medicine       | Dr Christopher Clark           | Dr Frances Cranfield           |
| Clinical Immunology and Allergy          | Dr Michael Rudenko             | Dr Michael Rudenko             |
| Clinical Neurosciences                   | Professor Peter Hutchinson     | Professor Simon Shorvon        |
| Coloproctology                           | Professor Humphrey Scott       | Mr Andrew Gudgeon              |
| Comparative Medicine                     | Dr Gwen Covey-Crump            | Mrs Beverley Derenzy Channer   |
| Critical Care Medicine                   | Professor Mike Grocott         | Dr Christopher Meadows         |
| Dermatology                              | Dr Helene du P Menage          | Dr Ian White                   |
| Emergency Medicine                       | Lieutenant Colonel Paul Reavey | Dr Peter Williams              |
| Endocrinology & Diabetes                 | Dr Gerard Conway               | Dr Arla Ogilvie                |
| Epidemiology & Public Health             | Dr Gabriel Scally              | Professor John Ashton          |
| Food & Health Forum                      | Dr Tatiana Christides          | Mr James Collins               |
| Gastroenterology & Hepatology            | Dr Charles Murray              | Dr Sean Preston                |
| General Practice with Primary Healthcare | Mr Robert Hutchinson           | Dr Susan Horsewood-Lee         |
| Geriatrics and Gerontology               | Dr Mashkur Khan                | Dr Mashkur Khan                |
| History of Medicine Society              | Dr Catherine Sarraf            | Dr Julie Papworth              |
| Hypnosis & Psychosomatic Medicine        | Dr Raj Lal Sharma              | Mrs Jacqueline Owens           |
| Intellectual Disability Forum            | Dr Kieran Darragh O'Malley     | Dr Kieran Darragh O'Malley     |
| Laryngology & Rhinology                  | Mr Peter Clarke                | Mr David Albert                |
| Lipids, Metabolism & Vascular Risk       | Dr Sean Carrol                 | Dr Handrean Soran              |
| Maternity and the Newborn Forum          | Dr Margaret Redshaw            | Dr Jolene Slothouber Galbreath |
| Medical Genetics                         | Dr Melita Irving               | Dr Melita Irving               |
| Military Medicine                        | Lieutenant Colonel Ian Gurney  | Group Captain Craig Staniforth |
| Nephrology                               | Dr Elham Asgari                | Dr Kate Bramham                |
| Obstetrics & Gynaecology                 | Dr Dudley Robinson             | Dr Melanie Tipples             |
| Occupational Medicine                    | Dr Robin Cordell               | Dr Jennifer Lisle              |
| Odontology                               | Dr Rupert Austin               | Dr Rupert Austin               |
| Oncology                                 | Dr Paras Dalal                 | Dr Paras Dalal                 |
| Open                                     | Dr Paquita de Zulueta          | Ms Sally Taber                 |
| Ophthalmology                            | Professor Christopher Bentley  | Dr Elizabeth Wilkinson         |
| Oral & Maxillofacial Surgery             | Mr Alistair Cobb               | Miss Caroline Mills            |
| Orthopaedics                             | Mr Bob Chatterjee              | Mr Rajarshi Bhattacharya       |
| Otology                                  | Mr Gavin Morrison              | Professor Musheer Hussain      |
| Paediatrics & Child Health               | Dr Saji Alexander              | Dr Nicola Bridges              |
| Pain Medicine Section                    | Dr Anthony Ordman              | Dr Anthony Ordman              |
| Palliative Care                          | Dr Viv Lucas                   | Dr Andrew Williams             |
| Pathology                                | Dr Ian Hosein                  | Dr Ian Hosein                  |
| Patient Safety                           | Dr Susan Burnett               | Mr Brady Pohle                 |
| Plastic Surgery                          | Dr Ibbi Younis                 | Ms Nora Nugent                 |
| Psychiatry                               | Professor Michael Maier        | Professor Michael Maier        |
| Radiology                                | Dr Richard Graham              | Dr Raman Uberoi                |
| Respiratory Medicine                     | Dr Michael Beckles             | Dr Michael Beckles             |
| Retired Fellows Society                  | Dr James Carne                 | Dr James Carne                 |
| Rheumatology & Rehabilitation            | Dr Stephanie Kaye-Barrett      | Dr Ajay Bhatia                 |
| Sexuality & Sexual Health                | Dr Omi Ohizua                  | Mrs Joanne Fletcher            |
| Sleep Medicine                           | Dr Hugh Selsick                | Dr Graeme Wilson               |
| Sport & Exercise Medicine                | Dr Brinda Christopher          | Dr Brinda Christopher          |
| Students                                 | Mr Binay Gurung                | Mr William Ries                |
| Surgery                                  | Mr Ben Cresswell               | Miss Rachel Hargest            |
| Telemedicine & eHealth                   | Mr Clive Flashman              | Mr Alan Clark                  |
| Trainees                                 | Dr Upasana Tayal               | Dr Margaret Keane              |
| Urology                                  | Mr Roland Morley               | Professor Roger Kirby          |
| Vascular Medicine                        | Professor Saroj Das            | Professor Jill Belch           |
| Venous Forum                             | Mr Isaac Nyamekye              | Mr Isaac Nyamekye              |

# RSM Highlights 2016/17



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1. Professor Tony Young, National Clinical Lead for Innovation for NHS England (left), Helen Gordon, RSM Chief Executive and Sir Bruce Keogh, NHS England Medical Director marking RSM's involvement in the NHS Clinical Entrepreneur Programme.
2. Mr B Sethia (left) and Professor Sir Simon Wessely at the 2017 presidential inauguration
3. Sculptor Conrad Shawcross RA, who gave the 2017 *Arts, society and medicine* lecture at the RSM
4. RSM Trustee and Surgery Section President Rachel Hargest with her 2017 *Silver Scalpel Award*, presented annually to inspirational trainers
5. Consultant orthopaedic surgeon and former England rugby

6. Dermatologist and winner of the *Wesleyan RSM Trainee of the Year Award 2016*, Dr Zahra Ahmed
7. RSM education team representatives Jodie Phillips, Amy Stratton and Gemma Lamb collecting the 2017 APBCO *Best Conference by an In-House Conference Organiser* award
8. Natasha Kaplinsky interviewed Professor Sir Simon Wessely for *21<sup>st</sup> Century Healthcare*, a new programme developed for the RSM by ITN Productions
9. Outgoing RSM President Mr B Sethia with RSM Honorary Fellows July 2017



# Contacting the RSM

|                                 |  |
|---------------------------------|--|
| <b>Chief Executive's Office</b> | +44 (0)20 7290 2900 - <a href="mailto:paceo@rsm.ac.uk">paceo@rsm.ac.uk</a>             |
| <b>Membership Queries</b>       | +44 (0)20 7290 2991 - <a href="mailto:membership@rsm.ac.uk">membership@rsm.ac.uk</a>   |
| <b>Library Enquiries</b>        | +44 (0)20 7290 2940 - <a href="mailto:library@rsm.ac.uk">library@rsm.ac.uk</a>         |
| <b>Attending a Meeting</b>      | +44 (0)20 7290 3941 - <a href="mailto:events@rsm.ac.uk">events@rsm.ac.uk</a>           |
| <b>Restaurant Reservations</b>  | +44 (0)20 7290 2957 - <a href="mailto:restaurant@rsm.ac.uk">restaurant@rsm.ac.uk</a>   |
| <b>Domus Reservations</b>       | +44 (0)20 7290 2960 - <a href="mailto:domus@rsm.ac.uk">domus@rsm.ac.uk</a>             |
| <b>Fundraising Queries</b>      | +44 (0)7789 203 735 - <a href="mailto:development@rsm.ac.uk">development@rsm.ac.uk</a> |

# The Royal Society of Medicine

1 Wimpole Street London W1G 0AE • **T:** +44 (0)20 7290 2900 • **F:** +44 (0)20 7290 2989 • **W:** [www.rsm.ac.uk](http://www.rsm.ac.uk)  
Charity No: 206219 VAT reg no 524 4136 71