The Royal Society of Medicine

ANNUAL REPORT 2017/2018

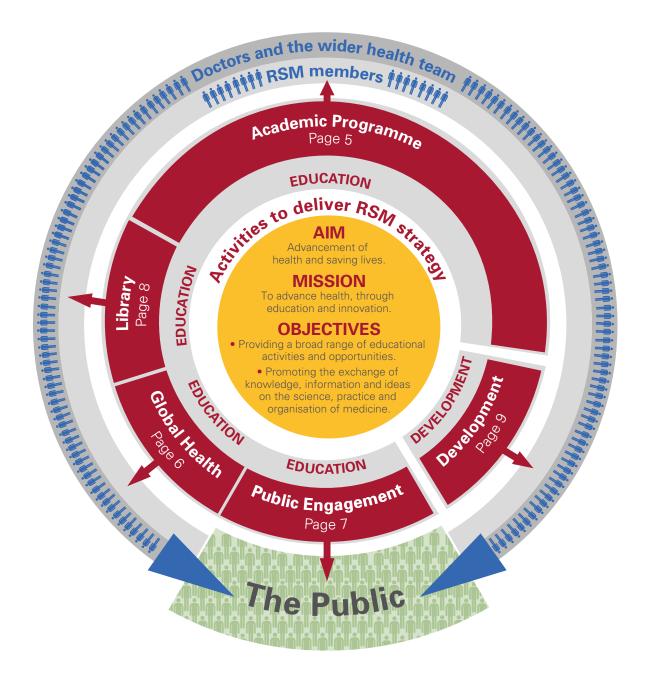








Mission and Delivery of Public Benefit



Our values

- We treat people with **respect** and dignity and expect others to do the same.
- We **invest** in people to help them develop and grow.
- We strive to continuously improve what we do by setting stretching objectives and measuring outcomes.
- We listen to colleagues and customers and collaborate to achieve more through new ideas.
- Deliver we carry out our intentions.

President's Report



Continued learning lies at the root of our professional development as doctors and healthcare professionals. As a beacon of excellence in the field of postgraduate medical education, The Royal Society of Medicine has a responsibility to advance new ways of learning and sharing knowledge. To that end, much of our work in the last year has focused on re-shaping our organisation to be in a position to deliver the Society's Education Strategy which was launched in April 2018. Inevitably that meant that we have had to undertake significant re-structuring of our Education Department, Library team and Customer Services. That sounds a bit like corporate speak, but there are times when it cannot be avoided. The good news is that we were able to appoint Bridget Gildea as the first RSM Director of Learning. Coming to the Society from Harvard Kennedy Business School, Bridget brings a wealth of experience of creating and delivering educational programmes and will be leading our ambition to deliver an invigorated postgraduate education curriculum to the wider RSM membership and beyond.

To support the work of RSM staff, several major projects have been running through the year to help us operate effectively. These have included the move to cloud-based IT infrastructure, words I never thought I would write, but which mean that we will be much better equipped to cope with a major business continuity incident. Far-fetched? Not really – and we had an unexpected dress rehearsal for such an incident when we went into police directed lockdown following what was first thought to be a major terrorist incident at Oxford Circus, even if in the end it was nothing more than a common-or-garden fracas.

Other words I thought I would never write include "Customer Relationship Management system"; the new RSM CRM system will go live very soon. But even I know what a website is, and I am afraid our current one leaves a lot to be desired. However, help is at hand and at the time of writing we anticipate an imminent launch of a new one. Having said that, launching a new website and IT system is always challenging. IT projects have a dodgy history to all of us in the NHS, (did anyone say Connecting for Health?) but I am sure that with the staff and expertise we have here, history will not be repeating itself. The RSM needs these changes, and because the process has been astutely led by our Finance Director, Mark Johnstone, and Communications and Marketing Director, Janice Liverseidge, I am hoping that the project is a success. Anyway, if all goes well, and together with upgraded hospitality IT systems, these systems should bring about a much improved, flexible and more streamlined service for members, delegates and other customers.

My thanks go to the many staff involved in making all these projects possible. They have worked exceptionally hard and as a result of their staunch support we are now in an excellent position to achieve the goals set out in the RSM Education Strategy, which I am sure has been your required bed time reading for most of the last year.

Meanwhile, it has also been business as usual. One of the highlights of our 2017/18 academic year was a visit from His Royal Highness, The Duke of Cambridge who was admitted as an Honorary Fellow during a ceremony at the Society in January. Given in recognition of The Duke's contributions to healthcare in general, and both mental health and emergency medicine in particular, the Honorary Fellowship was presented by myself and Immediate Past President Mr Babulal Sethia who delivered the citation. And when I say a jolly good time was had by all, this time I mean what I say. We have had a host of entertaining, informative and challenging sessions throughout the year, ending with a sell-out evening with Stephen Fry, Henry Marsh and Rachel Clark, which really did have people queuing round the block. Thanks to Roger Kirby, Chair of the RSM Academic Board for helping make this and many other events possible.

My sincere thanks also go to former Chief Executive, Helen Gordon, who left the RSM during the year and to directors Caroline Langley, Wayne Sime and Paul Summerfield who have also moved on to pastures new. We are now in the final stages of our search process for a new Chief Executive and are hopeful of being able to make an announcement in the new few weeks of an appointment to start at the RSM over Spring/Summer 2019. Many thanks to Nigel Collett who has done a fantastic job stepping up as Acting Chief Executive following Helen Gordon's departure.

We said farewell to Professor Nadey Hakim and Professor Roger Motson who have completed their terms as RSM Trustees, although given that I continue to see them on a regular basis in the building, they definitely have not ended their association with us, which is good news all round.

My thanks go to our members, volunteers on our Section Councils and donors. With their continued support and the tremendous work of our staff and senior leadership team we can look forward to a new and exciting phase of development for the Society.

Finally, I would be failing in my duties if I did not encourage you to read the following pages of this report to find out more about our activities during 2017/18 and our plans for the years ahead.

Professor Sir Simon Wessely

President



Strategy and future plans

In spring 2018 the RSM launched its Education Strategy. The strategy commits the RSM to becoming a contemporary and highly relevant organisation, working collaboratively with a range of partners and individuals to use a blend of online and offline learning techniques and resources that will allow interaction with experienced healthcare professionals.

The new strategy has resulted in a major reorganisation and restructuring of RSM Education, including the introduction of thematic managers to centralise and rationalise relationship management with RSM Sections. Responsibility for promoting events has transferred to the marketing team at the RSM to make best use of their skills and expertise. RSM Education has joined with the RSM Library to encourage collaboration and integration of RSM resources.

These changes represent the most significant transformational change the RSM has seen in many years and hold great potential for modernising and making more efficient the RSM's educational engagement and offerings.

The six key themes that the RSM's Education Strategy has set its leadership for this transformational strategy are:

1. RSM learning

- Create a contemporary portfolio of education to complement existing specialty-based programmes reaching out to healthcare professionals across the UK
- Develop learning opportunities about healthcare organisation as well as medico-technical advances
- Work with RSM specialties to enhance programme delivery, increasing impact beyond events using appropriate mix of learning techniques

2. Patients and the public

- Involve public, patients and other service users to deliver richer learning experiences for healthcare professionals
- Implement programmes demonstrating the importance of patient and public engagement
- Evolve the RSM's Medicine & Me programme scope and engage with a more diverse audience

3. Digital technology

Increase accessibility to RSM education through expansion of digital learning

- Encourage multidisciplinary learning through access to RSM digital resources, face-to-face and online learning technologies
- Provide greater access to RSM education resources

4. RSM supporting innovation

- Support healthcare innovators, building on our demonstrable success in this area
- Disseminate innovation knowledge and cascade of innovation into evidence-based practice
- Create spaces for innovators to network and undertake research using library resources

5. NHS and healthcare organisations

- Increase RSM participation in the NHS and other healthcare related events
- Interact with other healthcare organisations to provide teambased learning programmes
- Support translation of policy into practice through debate and discussion
- · Develop education through innovative, effective adult learning

6. Transforming the RSM

- Focus on digital activities with more intelligent customer engagement, website and customer relationship management system
- Develop space at No.1 Wimpole Street to ensure the learning environment is relevant, dynamic and supports interactive learning
- Introduce strong and robust new product development and quality assurance processes
- Develop internal systems and processes

This strategy lays out an ambitious programme of work for the RSM, its Council and Sections. The change will be delivered as an evolving project over the next three years, with intensive collaboration, learning and work with Sections, doctors, clinicians and healthcare leaders throughout the UK and beyond.



- 1. 384 approved conferences, meetings and courses were organised and accredited by the RSM, (compared with 369 in 2016/17) including 295 Section meetings. The Sections continued to curate an enormous range of programmes reflecting many contemporary concerns and cutting edge themes, together with an increasing focus on cross-specialty and multi-disciplinary education.
- 2. A number of meetings addressing topical and controversial themes were held, including *Choice at the end of life:* current practice and overseas developments and Spotlight on knife crime. Featuring high profile speakers and sometimes heated debates, these meetings played to packed audiences and attracted significant media attention from national news outlets.
- 3. The Patient Safety Section, in conjunction with the Boston Consulting Group, introduced the RSM's first Hackathon. 80 attendees from diverse backgrounds worked over a weekend in seven competing teams to devise innovative solutions to prevent surgical 'never events'.
- 4. Another important meeting explored the challenges and benefits of social media for mental health organised by the Psychiatry Section. This included interactive sessions where participants could try out apps designed to support people, including one for those with anorexia.
- 5. Partnerships is one of the themes of the RSM Education Strategy (see page opposite) and the impact of working with others was illustrated by a programme that brought together the RSM Paediatric Section with the Royal College of Paediatrics and Child Health and RSM Global Health to explore The challenges of child refugee health: everyone's responsibility. This multi-disciplinary event both informed delegates about the health concerns linked to the modern migration crisis and, through workshops, allowed delegates to discuss how they might recognise and respond through their work as clinicians or health advocates.
- 6. The RSM Sections worked with a wide range of partners during the year including a number of Royal Colleges,
 The Pathological Society of Great Britain and Ireland, the European Organisation for the Treatment of Trophoblastic Disease, the Institute of Sports Exercise and Health and the charities Marie Curie and the Brain and Spine Foundation.
- 7. Social deprivation and its impact on children and young people was the theme of the first RSM Child Health Festival.

- Designed to fill a gap in paediatric training to focus on understanding the bigger picture of child health, the aim was to create a springboard for professionals to learn from each other, young people and their families. The event included interactive lectures, workshops, experiential learning methods and livestreaming of the event with speakers from around the UK.
- 8. The Pelican Cancer Foundation in Basingstoke hosted the Section of Surgery President's day for a meeting on advanced colorectal cancer. The multidisciplinary working required for optimum treatment of this condition was well represented by both speakers and delegates. Importantly a patient who had undergone treatment gave his perspective on issues surrounding equality of access. The thoughtful and balanced presentations from surgeons and oncologists provided both inspiration and pragmatic reflection for clinicians and patients faced with this challenging condition.
- 9. RSM Professionals ran 45 meetings during the year including joint conferences with external bodies and training courses covering OSCEs, *Teach the Teacher, Thriving and Surviving* and interview and exam preparation sessions for trainees.
 23 of these courses and conferences were accredited by the RSM Dean for seven external organisations.

Performance in the year 2017/18

- Over 26,500 delegates attending meetings at the RSM, of which 19,230 delegates attended Section meetings. An average of 69 delegates attended each event. These figures are comparable with 2016/17 attendance.
- Just over 3,000 speakers contributed to events at the RSM.
- The Society ran 85 joint meetings with external organisations. This was a key part of the future plans identified for 2017/18.
- Just under 10,000 RSM members and over 16,500 nonmembers attended RSM events during the year.
- 151 prizes were awarded to students and trainees during the year, including the prestigious Ellison-Cliffe Travelling Fellowships and the hotly contested Wesleyan RSM Trainee of the Year Award.
- 32 meetings were held outside London during the year, including four overseas meetings.



- 1. The RSM's global health partnership with the King's Centre for Global Health and Health Partnerships continued to deliver a programme with three objectives: promote educational innovation in the field of global health; encourage the medical profession to engage with global health; and collaborate with key institutions working to improve health worldwide.
- Events were designed and delivered in different formats through the three key programmatic streams: education, emergencies and big issues.
- **3.** Over the course of the 2017-2018 calendar year, a robust key performance indicator (KPI) framework was developed with accompanying monitoring and evaluation indicators. Indicators fall under seven broad categories, which align with the RSM strategic plan.
- 4. PhD student Ms Eleanor Bowen-Jones continued her research investigating global health electives. The study includes a meta-narrative review of the literature, which synthesises perspectives from different research traditions; interviews with elective hosts across the world; and observational research at elective conferences in the UK, to explore perspectives and practices regarding electives in the UK medical education community.

- **5.** The event *Better contraception: A UK perspective on a global challenge*, held jointly with the Faculty of Sexual and Reproductive Healthcare, took place to a full house and was well-received. This meeting will run again in June 2019.
- **6.** Dr Waheed Arian of the charity Arian TeleHEAL gave an exciting keynote speech at the meeting *Dive into global health: On the ground work and beyond,* generating positive feedback such as "a very engaging speaker" and "personal story a source of inspiration which seemed to resonate with the students."

Performance in the year 2017/18

• Global health events in the year resulted in 546 delegate registrations. This is slightly lower than the previous year when 800 delegates registered for events. Registrations for most events met or exceeded targets. Meetings attracted a diverse group of attendees and delegate feedback indicated very high levels of satisfaction with the event programmes and speakers.

 One of the goals of the RSM's global health programme is to build strong partnerships.
 In 2017/18 both existing partnerships were strengthened and maintained and new partnerships were built.

Future plans

- There will be a focus on five key areas for development of the 2018/19 global health programme: marketing and promotion of events; clarity in planning roles and obligations; identification of events and event partners; audience participation in wrap-up, action steps and event impact; and the inclusion of more international voices.
- The 2018/19 programme will include a global nursing event to be held jointly with the Royal College of Nursing to mark the anniversary of the launch of the *Nursing Now* campaign.
- A meeting on conflict and security will be held in March 2019.
- In September a joint meeting with the Royal College of Emergency Medicine will focus on emergency medicine in global health.
- A medical electives event will be held during 2018/19, supported by PhD student Ms Eleanor Bowen-Jones.





- Funding was secured to run a mental health programme throughout the year 2017/18, and meetings were held addressing key issues including your mental health as a doctor; coping with losing a baby; and migrant mental health: rights, access and advocacy.
- 2. A meeting on The Mental Health Act was organised and delivered by key members involved in The Mental Health Act Review, including RSM President Professor Sir Simon Wessely, chair of the review, Sir Mark Hedley, vice chair, and Kate King, lived experience advisor on mental health.
- 3. The Medicine & Me programme, which brings together patients, their carers and clinicians to talk about important medical conditions, continued to flourish with leading charities working in partnership with the RSM to deliver meetings including those focused on multiple sclerosis, life after facial injury, and Huntington's disease.
- 4. The RSM's public lectures brought high-profile and influential speakers to the Society, including Professor Dame Sally Davies, Chief Medical Officer for England, who gave the

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 Work will take place with cross-parliamentary groups to develop events highlighting key topics in healthcare and addressing current challenges and opportunities to a wider audience.

Future plans

- Collaboration with partners including the Cambridge Judge School of Business, MIT and Harvard Innovation to inform and enrich the RSM's work in supporting innovation.
- A six-figure grant from the US-based Proteus
 Foundation will support the RSM's work on
 innovation and patient engagement. This will
 provide opportunities for education and learning in
 the areas of patient-focused digital technology
 for preventative care and medication
 monitoring.
- The RSM's medical careers and schools programmes will be reinvigorated, with new work planned in collaboration with Westminster Academy to reach out to under-represented groups in London and beyond.

The on-site registration, the event and overall organisation was excellent. I look forward to attending future programs at the RSM //

Delegate feedback

- 2018 Jephcott Lecture during which she talked about the global challenge of drug resistant infections. The annual Arts, Society and Medicine Lecture was given by Cathie Pilkington RA, who reflected on the ways in which her work challenges our ideas about the female body. Former registrar and best-selling author Dr Adam Kay gave the 2018 London Clinic Lecture when he discussed caring for the carers.
- 5. Medical careers days for school students considering applying for medical school were held in Hull, Norwich and London. School students learned about the medical school application process, how to prepare for tests and interviews, and what to expect from life as a medical student and qualified doctor.
- Performance in the year 2017/18
- The RSM ran seven public engagement meetings during 2017/18 with 2,141 delegates registering to attend. In the previous year the RSM organised eight meetings with just over 2,300 delegates.
- The medical careers programme for school students, graduates and teachers attracted 478 delegates, across three meetings.
- Five Medicine & Me meetings were held during the year, compared with seven in 2016/17, with 510 patients, carers and clinicians registered to attend.





- 1. An open day for the Marcus Beck Library took place in October 2017. Housing thousands of rare and classic works on medicine and surgery dating as far back as the 16th century, the collection includes rare books held within closed cabinets, including texts written by renowned historical figures, Galen and Hippocrates. As well as housing a unique collection of rare and valuable medical books, the Marcus Beck Library has served as the Council Chamber of the RSM in recent years.
- 2. The Library's eclectic collection of medical texts and manuscripts inspired several exhibitions throughout the year, including *The Appointed Day, July 5th 1948* which marked the 70th anniversary of the NHS. Other exhibitions included *This Little Pamphlet: an exhibition to mark the bicentenary of James Parkinson's Essay on the Shaking Palsy; A Georgian Miscellany: Medicine 1713 1768; and Around the World: Medical Journeys throughout the Ages.*

Performance in the year 2017/18

- 28,200 people visited the Library in person in the last year, a slight decrease from 29,000 in 2016/17.
- The Library team managed over 8,100 enquiries by telephone, email and in person from Library users requiring assistance, including search requests and document supply (a 25% reduction on the previous year).
- Over half a million e-journal articles were downloaded and Library e-books were accessed 4,629 times during the year.
 Over 20,000 database sessions occurred and the number of citations viewed or downloaded was just under 400,000.
- 20 volumes from the Library's collection were professionally conserved.

Very well researched. Shows the importance of printed material in the history of medicine

A moving exhibition and a powerful reminder of the virtues of the NHS



What a fascinating glimpse into the expeditions and advances of medical people. We are so fortunate to have such a wonderful collection

Future Plans

- The continued integration of the RSM Library and Education teams will enable a new approach to the provision of learning resources and opportunities.
- A full audit of e-resources and publisher relationships will be carried out, working with RSM members to assess use of current resources, potential gaps, and potential under-use to ensure best practice and value for members.
- The new Head of Library appointed in December 2018 will lead work on enhancing service and knowledge provision through the new RSM website, drawing on experience and work with the London Business School, City University Law School and the Parliamentary Library.
- Collaboration with Stanford and MIT Libraries to learn best practice in the digital library space.
- A series of exhibitions drawing on the Library collection is planned for 2018/19.





 The Wall of Honour initiative continues to attract further donations. RSM members and friends of the Society have now arranged for nearly 900 names to be inscribed on the glass walls of the RSM's atrium.



- Existing donors were updated on the progress being made by the RSM on several fronts, and links with potential new donors were initiated and nurtured.
- 3. The RSM Medical Innovations programme continued to flourish and as planned, two day-long summits took place in April and September. The September summit celebrated the 10th anniversary of the programme and included the 250th briefing. 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.
- 4. The RSM continued with its partnership with NHS England and its Clinical Entrepreneur Programme (NHS CEP). As part of this collaboration, free RSM membership is now being provided to over 100 doctors currently taking part in the NHS CEP.

Performance in the year 2017/18

- Gross unrestricted income raised by the Development
 Office for 2017/18 was £877,000. This figure includes
 a legacy received from the estate of James McGillivray
 Jackson of £460,000. These unrestricted donations helped
 the RSM finance its provision of the medical education
 and innovations programmes.
- The RSM also received donations in shares of unquoted companies.

Future plans

- Plans are expected to be developed for a major capital campaign to be launched during 2019, to fund developments arising from the Society's education strategy and the 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 on appropriate charitable trusts, foundations and companies.
- 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.
- A legacy programme for RSM members is to be introduced during 2019.



- Following a research project to develop new membership packages for trainee doctors, marketing activity was undertaken to begin testing four new membership propositions to a discrete audience of junior doctors. The results are now being considered and other options and pricing tests planned.
- 2. The RSM's new sixth form student scheme, providing access to useful resources and events to help pursue a career in medicine and healthcare, was rolled out with just under 300 students joining the Society in the first year.
- Work was undertaken to review, update and implement communication campaigns among members and delegates to ensure the RSM is compliant with new GDPR legislation.
 - 4. Substantial work was undertaken to support the development of a new CRM (Customer Relationship Management) IT system, new RSM website, new bulk email system and customer preference centre. Combined, this will deliver an improved online member and customer experience on launch in January 2019.
 - 5. The RSM membership team took on additional responsibilities for delegate registrations towards the end of 2018 and are now the RSM customer services team responsible for all member and delegate administration to provide seamless service across both events and membership activities.

6. The RSM continued to develop relationships with other medical organisations as a route to grow membership. During the year these included the Cyprus Ophthalmological Society, Action against Medical Accidents and the Royal Academy of Medicine in Ireland.

Performance in the year 2017/18

- Just over 3,000 new members joined the RSM during the year, an increase of 7.8% on the previous year and the highest number of new members in four years. Total membership of the Society at the end of 2017/18 was 1% lower than the previous year at 22,500. Just under half of all new members applied online representing 77% of all new membership income.
- Total subscription income of £4.9m was received during the year which was 6% higher than 2016/17.
- Nearly 40% of all new members are Fellows and of these 48% were Overseas Fellows. This was the result of continued successful overseas recruitment campaigns which resulted in 579 new Fellows from 54 different countries.
- Just over a quarter of new members were students and 15% were from allied healthcare professions.
- Membership retention continues to be very strong and the overall retention rate increased slightly to 92.6%, from 92% in 2016/17, although students and trainees continue to renew at a lower rate.
- There was no change in the percentage of new members opting to pay their subscriptions by annual direct debit which remained at 31%. 70% of existing members choose to pay their renewals by this method.

Future Plans

- Launch and implementation of the first stage of the new CRM and website to improve member and customer experience and interaction online. This will be followed by a programme of continuous improvements.
- The new website provides a streamlined customer journey, improved ability to self-serve, additional options to pay subscriptions by continuous credit card and more choice around subject area preferences for relevant communications from the RSM.
- Introduction of web chat functionality on the new website to improve customer conversion levels and membership renewal rates
- Introduction of a new member benefit guaranteeing members a minimum 40% lower delegate rate when attending RSM Section meetings compared with non-member delegate fees.



- The audio visual facilities in the Max Rayne Auditorium were upgraded, with additional projectors and a display processor installed to enhance the presentation area.
- Eight small meeting rooms were added to the venue portfolio to enhance facilities for interviews, workshops and training.
- Assistive hearing technology has been added to the registration and reception desks in the members' area and 1 Wimpole Street entrances.
- 4. A permanent recording studio will be installed at 1 Wimpole Street allowing interviews, podcasts and live broadcasts in a controlled environment. This will complement the RSM's education programme and provide opportunities for external clients.
- **5.** In the Club area the members' restaurant has been refashioned to create a light and versatile space which now accommodates a wider range of party sizes and dining requirements.

I would like to thank you and your colleagues for enabling me to enjoy my stay in March. The RSM seems to be better every year that I have been coming. In particular I would like to mention how helpful Kit was in providing a packed lunch for me when I had to catch an early flight before breakfast was available. I am now a retired Fellow and I shall continue to stay at the RSM whenever I visit London.



- 6. All day dining has been introduced in the bar and restaurant and a membership survey initiated to establish food and beverage and user environment preferences is moving forward.
- The hotel booking software has been upgraded to improve reservations. The booking process may be further streamlined once the new RSM website has been launched.

Performance in the year 2017/18

- 1 Wimpole Street hosted 161 external conferences during 2017/18 with an average of 120 delegates attending. Clients came from the healthcare, not-for-profit, financial and technology sectors.
- The Club facilities, including Domus Medica accommodation, restaurant, bar and lounge traded in line with the previous year's performance.
- Chandos House income also traded in line with the previous year.
- 1 Wimpole Street external venue hire and catering revenues for 2017/18 achieved £3.4m which was ahead of budget and performance last year

Future Plans

- Complete customer research and adapt the RSM's Club services to reflect members' preferences.
- Use the new hotel booking system to provide the best rates possible across the year for members and their guests.
- Grow external and business-to-business opportunities for healthcare events hosted both on site at 1 Wimpole Street and at off-site locations.
- Re-establish regular technology masterclasses for event professionals showcasing venue facilities.
- Gather feedback on proof-of-concept for a new technology-enhanced meeting room to guide future investment in technology in the RSM's meeting and learning spaces.







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 over the past year concluded a full review of the Society's Charter and By-Laws 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 follow best practice (including 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 and good practice for those working in the healthcare professions, and the promotion of public awareness and the understanding of matters relating to medicine and healthcare" as well as new By-Laws and Regulations. This process is expected to be completed during 2019.

Following the publication of the new Charity Governance Code, RSM Council resolved that a formal review of the governance of the Society should be undertaken to achieve appropriate and proportionate compliance with this revised code. This work will be carried out in 2019.

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 7.

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 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. Online meeting evaluations include a measure asking delegates how much the knowledge gained from attending the event will impact on their practice.

Feedback was collected from delegates attending 335 events in 2017/18 and of those delegates who completed evaluations, some 97% believed it would impact on their practice either a little, somewhat or a great deal. The comparative figure for the previous year was 85%.

Further enhancements to the appraisal of the impact of RSM meeting attendance and the Society's other services on patient care are planned for 2019.

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 15 other members, of whom 12 are elected members and three are co-opted members. The President and five 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 proposed changes to the Society's By-Laws referred to above include proposals to alter the number of trustees and Honorary Officers as well as the election process of the President.

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 of the Society. They support Council and work, as appropriate, in collaboration with their respective Honorary Officer. Council met seven times in the past year. 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 three Standing Committees, charged with specific functions, as follows:

- 1. 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.
- 2. 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.
- 3. Education Committee During the development of the Education Strategy in 2017/18 this Committee did not meet. It has now been reconstituted to give direction and guidance in relation to the governance and implementation of the Education Strategy. This committee met in its new format for the first time on 3 December 2018.

The Society has two 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.
- Member Services Committee, chaired by Dr Natasha Robinson, RSM Honorary Secretary, met four 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.

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 and after;

GOVERNANCE

 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

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 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 the identification and management of risks. Council holds the Executive team to account for delivery of performance.

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 almost all circumstances for a minimum of three years. The Society has clear business continuity plans across all the Society's operations.

There are many risks to any organisation and Council works with the staff at the Society to understand and mitigate its specific risks. The main risks that are always considered are around risks to solvency, risks to safety of people in the building and risks to reputation. The Society's Audit Committee looks in detail at risks and their mitigation and Council oversees and takes ultimate responsibility for risk.

The Society has taken important steps in the past year to improve the resilience of its IT infrastructure. All the major IT systems on which the Society relies, including backup arrangements, are now hosted on the cloud in appropriate data secure and fully supported environments.

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 by trustees, staff and/or volunteers, 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 one complaint during the year in relation to fundraising activities and a full review was undertaken and reported to RSM Council. The Society's terms of employment require staff to behave reasonably at all times.

RSM Council

2017/18 Council meetings attended

PRESIDENT Professor Sir Simon Wessely 7 **VICE-PRESIDENT** Mr Martin Bailey 7 **VICE-PRESIDENT** Reverend Hilary De Lyon 7 BA, MPhil, FRCGP (Hon) (took office 1 October 2018) **HONORARY TREASURER** Miss Rachel Hargest 7 **HONORARY SECRETARY** Dr Natasha Robinson 7 MA, FRCA, FRCP **HONORARY LIBRARIAN** Professor Gillian Leng 4 **CHAIRMAN OF THE ACADEMIC BOARD** Professor Roger Kirby 7 Other trustees Professor John Axford 3 DSc, MD, FRCP Dr Claire Bayntun N/A MBBS, MPH, FFPH (elected with effect from 1 October 2018) Professor Philip Bloom 7 MB, ChB, FRCS(Ed), FRCOphth Dr Sarah Filson 7 BSc (Hons) MBBS MRCP DTM&H Dr Elizabeth Haxby N/A MBBS, MA, MSc, FRCA (elected with effect from 1 October 2018) Dr Stephanie Kaye-Barrett N/A MBchB, MD, FRCP (elected with effect from 1 October 2018) Professor Linda Luxon N/A (elected with effect from 1 October 2018 and Honorary Treasurer elect) Professor Nadev Hakim 6 MD. FRCS (demitted office 30 September 2018) Professor Roger Motson (demitted office 30 September 2018) Mr Richard Murley Dr Suzy Walton 5 PhD CPsychol CDir

The principal employed officers of the Society

ACTING CHIEF EXECUTIVE AND MANAGING DIRECTOR OF RSM SUPPORT SERVICES

Mr Nigel Collett

FINANCE DIRECTOR

Mr Mark Johnstone

COMMUNICATIONS AND MARKETING DIRECTOR

Mrs Janice Liverseidge

DIRECTOR OF LEARNING

Ms Bridget Gildea

MA (Cantab)

DEAN

Dr Fiona Moss CBE, MD, FRCP

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

(Vice President elect)

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.

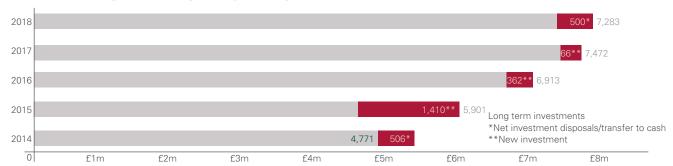
The Trustees' investment powers are governed by the Charters. In October 2018 the Trustees carried out a review of the Society's investment strategy. The strategy adopted was to split the portfolio into a Permanent Endowment Fund (with an objective to maximise income, targeting 3.5-4% pa yield, and growing income in line with RPI), an Expendable Endowment Fund (predominantly representing restricted funds and with a total return objective of RPI + 3% pa), and an Unrestricted Endowment Fund (with a total return objective of 3-3.5% pa, with a preference for income, and which, together with investment returns from cash not required for working capital, is targeted to protect the Society's unrestricted funds from CPI inflation). 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.

At 30 September 2018, the Society held 2,973 shares in NASDAQ - quoted company GW Pharmaceuticals plc with a market value of £393,469 arising from donations from two of the Society's principal benefactors. The Society has adopted a policy in the past year to maintain the value of the Society's holding in these shares at no more than 5% of the overall investment portfolio.

The results for the year are summarised as follows:

	UNREST	TRICTED NDS	TOTAL FUNDS		
	2018 2017		2018	2017	
	£000	£000	£000	£000	
Incoming resources	16,060	15,665	16,580	15,907	
Expenditure	(15,093)	(14,699)	(15,404)	(15,030)	
OPERATING SURPLUS	967	966	1,176	877	
Depreciation and interest	(1,285)	(1,306)	(1,285)	(1,306)	
Net (deficit)	(318)	(340)	(109)	(429)	

Investment powers, policy and performance:



Funds and reserves policy

Movement on funds:

The increase in net resources during the year, including investment market value changes, amounted to £541k (2017: £(117)k). The total funds carried forward at 30 September 2018 amounted to £38,072k (2017: £37,531k). 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 £3,851k (2017: £4,037k) as analysed in the table opposite. The most significant part of unrestricted funds is invested in the Society's buildings and other fixed assets used within the Society, which are partly financed by a secured bank loan of £0.6m (2017: £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 reserves of its subsidiaries which amounted to £4.9m as at 30 September 2018 in order to provide adequate reserves to protect against unexpected downturns, including a significant reduction in income which could otherwise result in the Society needing to review its strategy.

Financial management policies

Borrowings:

The Society's borrowing facilities at 30 September 2018 comprised a 10 year term loan of £0.6m 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 is committed to a formal performance appraisal process. The Society has 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 totalling 5% of gross pay.

The Society responded to and completed the changes made by the Chancellor of the Exchequer to the National Living Wage, and is targeting to pay all staff at least the London Living Wage by the end of 2019.

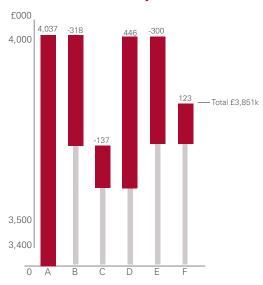
Future plans

The Society has a sound financial basis upon which to build for the future with plans well advanced, based on the foundation of its strong balance sheet, to return the Society to unrestricted fund annual surpluses in the medium term. Reviews by the Trustees of long term strategy and enhanced governance arrangements are also well advanced with the vital Education strategy having been published during 2018 as reported elsewhere in this Annual Report. Signed on behalf of the Members of Council on 29 January 2019

Professor Sir Simon Wessely MD FRCP FRCPsych FMedSci President

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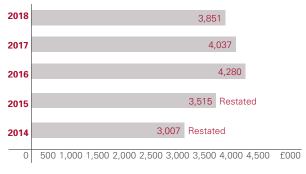
Free reserves analysis



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

Free reserves 5 years analysis:



Miss Rachel Hargest MD FRCS

Radel Hargest.

Honorary Treasurer

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 2018 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 2018 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: $\frac{1}{2} \int_{\mathbb{R}^{n}} \frac{1}{2} \int_{\mathbb{R}^{n}} \frac$

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- 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.

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.

Use of our report

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.

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

Date: 29 January 2019

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

		UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWED FUNDS	TOTAL FUNDS 2018	TOTAL FUNDS 2017
	notes	£000	£000	£000	£000	£000
INCOME FROM:						
Donations and legacies		1,169	349	20	1,538	1,062
Other trading activities						
Conferencing and hospitality		7,309	-	-	7,309	7,179
Rental income	_	55	-	-	55	93
	-	7,364	-	-	7,364	7,272
Investments	3 _	148	151	-	299	260
Charitable activities						
Education:						
Academic programme		2,144	-	-	2,144	2,398
Information resources		82	-	-	82	99
Publishing		206	-	-	206	208
Membership subscriptions	4	4,947	-	-	4,947	4,608
		7,379	-	-	7,379	7,313
Total income		16,060	500	20	16,580	15,907
EXPENDITURE ON:						
Raising funds	5					
Fundraising costs		334	-	-	334	171
Conferencing and hospitality		7,189	_	-	7,189	6,869
Rental income costs		87	_	-	87	97
Interest		39	_	-	39	47
	_	7,649	-	-	7,649	7,184
Charitable activities	5					
Education:						
Academic programme		4,781	276	-	5,057	5,087
Information resources		2,759	35	-	2,794	2,773
Publishing		153	-	-	153	135
Membership subscriptions		1,036	-	-	1,036	1,157
		8,729	311	-	9,040	9,152
Total expenditure		16,378	311	-	16,689	16,336
NET (EXPENDITURE)/ INCOME BEFORE GAINS AND LOSSES ON INVESTMENTS		(318)	189	20	(109)	(429)
Net gains on investments	10	453	83	114	650	312
NET INCOME	_	135	272	134	541	(117)
NET MOVEMENT IN FUNDS	-	135	272	134	541	(117)
RECONCILIATION OF FUNDS		20.546	0.750	2.22-		07.6:-
Total funds brought forward		32,512	2,756	2,263	37,531	37,648
Total funds carried forward	17,18	32,647	3,028	2,397	38,072	37,531

The Statement of Financial activities includes all gains and losses recognised in the year. All amounts relate to continuing activities. The gain for the year, including realised losses of £109k was £541k (2017: loss of £117k including realised losses of £429k).

Consolidated and charity balance sheets

		GF	ROUP	CHARITY		
	notes	2018 £000	2017 £000	2018 £000	2017 £000	
FIXED ASSETS						
Tangible assets	8	23,040	23,826	19,406	20,146	
Intangible assets	9	1,270	512	1,270	512	
Investments						
Property	10	-	-	9,200	9,000	
Investment funds	10	7,283	7,472	7,283	7,472	
Heritage assets	11	3,346	3,346	3,346	3,346	
Shares in subsidiary companies	7	-	-	2	2	
TOTAL FIXED ASSETS		34,939	35,156	40,507	40,478	
CURRENT ASSETS						
Stocks	12	59	56	1	1	
Debtors	13	1,435	2,218	1,046	1,631	
Short term investments	10	393	570	393	570	
Bank deposits		5,590	5,302	5,590	5,302	
Bank and cash balances		1,456	192	1,452	182	
		8,933	8,338	8,482	7,686	
CREDITORS: Amounts falling due within one year	14	(4,446)	(4,394)	(4,258)	(4,176)	
NET CURRENT ASSETS		4,487	3,944	4,224	3,510	
CREDITORS: Amounts falling due after more than one year	15	(1,144)	(1,359)	(1,144)	(1,359)	
PROVISIONS FOR LIABILITIES	16	(210)	(210)	(210)	(210)	
NET ASSETS	19	38,072	37,531	43,377	42,419	
FUNDS						
Unrestricted Funds:						
Tangible fixed assets fund		27,056	26,784	32,622	32,104	
Other designated funds		1,740	1,691	1,740	1,691	
General fund		3,851	4,037	3,590	3,605	
	17	32,647	32,512	37,952	37,400	
Permanent endowment funds	18	2,397	2,263	2,397	2,263	
Restricted funds	18	3,028	2,756	3,028	2,756	
TOTAL FUNDS		38,072	37,531	43,377	42,419	

Approved and authorised for issue on 29 January 2019 by Members of Council and signed on their behalf by:

Professor Sir Simon Wessely MD FRCP FRCPsych FMedSci

Miss Rachel Hargest MD FRCS

Rudel Hagest.

fu Words

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

Consolidated statement of cash flows

	2018 £000	2018 £000	2017 £000	2017 £000
	1000	£000	£000	£000
Net cash provided by operating activities		1,655		536
CASH FLOWS FROM INVESTING ACTIVITIES:				
Dividends from investments	271		248	
Purchase of property, plant and equipment and intangibles	(1,210)		(692)	
Purchase of long term investments	-		(66)	
Cash inflow from bank interest	28		12	
Cash inflow from long term investments to unrestricted cash	500		-	
Proceeds from sale of short term investments	647		55	
Net cash used in investing activities		236		(443)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of loan finance: quarterly instalments paid	(300)		(300)	
Interest paid	(39)		(47)	
Net cash used in financing activities		(339)		(347)
Change in cash and cash equivalents in the year		1,552		(254)
Cash and cash equivalents in the year Cash and cash equivalents at 1 October		5,494		5,748
Cash and cash equivalents at 1 October Cash and cash equivalents at 30 September		7,046		5,494
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES				
Net (expenditure) for the reporting period (as per the SOFA)		(109)		(429)
Adjustments for:				
Donation in Shares	(131)		(46)	
Depreciation	1,246		1,259	
Write off tangible and intangible fixed assets	(8)		-	
Interest/ Dividends	(260)		(213)	
Decrease in debtors	783		220	
(Increase)/ decrease in stock	(3)		8	
Increase/ (decrease) in creditors	137		(473)	
Increase in provisions			210	
Net cash provided by operating activities		1,655		536
ANALYSIS OF CASH AND CASH EQUIVALENTS				
		2018		2017
		£000		£000
Bank and cash balances		1,456		192
Bank deposits		5,590		5,302
Total cash and cash equivalents		7,046		5,494

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 26, 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 but 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 18.

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 7.

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 £9,271k (2017: £8,728k) and total expenditure is £9,500k (2017: £9,467k). The net movement in funds after investment movements and unrealised gains is £421k (2017: £(427)k).

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 7 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 2018 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

- 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 with 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 in 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 to 7 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.

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 6, 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 SOEA

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 £120k (2017: £314k) 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

		UNRESTRICTED FUNDS	RESTRICTED FUNDS	ENDOWED FUNDS	TOTAL FUNDS 201
	notes	£000	£000	£000	£00£
INCOME FROM:					
Donations and legacies		955	107	-	1,06
Other trading activities					
Conferencing and hospitality		7,179	-	-	7,17
Rental income		93	-	-	9
		7,272	-	-	7,2
Investments	3	125	135	-	26
Charitable activities					
Education:					
Academic programme		2,398	-	-	2,39
Information resources		99	-	-	9
Publishing		208	-	-	20
Membership subscriptions	4	4,608	-	-	4,6
		7,313	-	-	7,3
Total income		15.665	242	-	15,90
EXPENDITURE ON:					
Raising funds	5				
Fundraising costs		171	-	-	17
Conferencing and hospitality		6,869	-	-	6,8
Rental income costs		97	-	-	9
Interest		47	-	-	
		7,184	-	-	7,18
Charitable activities	5				
Education:		. 750	224		
Academic programme		4,756	331	-	5,08
Information resources		2,773 135	-	-	2,7
Publishing			-	-	1:
Membership subscriptions		1,157 8,821	331		1,1! 9,1!
		16,005	331	-	16,33
Total expenditure					•
NET INCOME BEFORE GAINS AND		(340)	(89)	-	(42
Total expenditure NET INCOME BEFORE GAINS AND LOSSES ON INVESTMENTS Net gains on investments	10	(340)	(89) 121	- 169	(42)

3 IN	IVESTMENT INCOME	2018 £000	2017 £000
Di	ividends	271	248
Ва	ank interest	28	12
		299	260
4 M	EMBERSHIP SUBSCRIPTIONS		
\mathbb{N}	Membership subscription fees received	4,893	4,933
D	Deferred to following years	(2,285)	(2,339)
R	teleased into income	2,339	2,014
Ν	let adjustment	54	(325)
N	et membership subscriptions	4,947	4,608

5 ANALYSIS OF EXPENDITURE

(a) SUPPORT COSTS	Governance £000	Facilities Management £000	IT £000	Management & Admin £000	Total 2018 £000	Total 2017 £000
Cost of generating funds						
Fundraising costs	40	13	10	114	177	42
Conferencing and hospitality	31	598	235	327	1,191	1,096
Rental income costs	-	37	-	15	52	55
	71	648	245	456	1,420	1,193
Charitable expenditure						
Education: Academic programme	123	290	349	600	1,362	1,288
Education: Information resources	46	419	93	178	736	697
Publishing	6	-	-	20	26	5
Membership subscriptions	61	9	133	243	446	509
	236	718	575	1,041	2,570	2,499
Total Support Costs	307	1,366	820	1,497	3,990	3,692

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 £000	Support Costs £000	Other £000	Depreciation £000	Total 2018 £000	Total 2017 £000
Expenditure on raising funds:						
Fundraising costs	101	177	45	11	334	171
Conferencing and hospitality	3,425	1,191	2,023	550	7,189	6,869
Rental income costs	-	52	2	33	87	97
Interest cost	-	-	39	-	39	47
-	3,526	1,420	2,109	594	7,649	7,184
Expenditure on charitable activities:						
Education: Academic programme	1,330	1,362	2,094	271	5,057	5,087
Education: Information resources	647	736	1,038	373	2,794	2,773
Publishing	53	26	74	-	153	135
Membership subscriptions	386	446	196	8	1,036	1,157
	2,416	2,570	3,402	652	9,040	9,152
Total expenditure	5,942	3,990	5,511	1,246	16,689	16,336

Auditor's fees and expenses include the following:	Total 2018 £000	Total 2017 £000
Fees payable to the auditors of The Royal Society of Medicine:		
in respect of the charity audit	22	21
in respect of the charity audit prior year	5	-
in respect of the subsidiary audits	10	7
Other non-audit services:		
in respect of taxation compliance	4	4
in respect of other services	7	6
Total fees payable to auditor	48	38

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 £3,873 for 4 members (2017: £1,873 for 5 members).

The average number of persons employed during the period on a full-time equivalent basis was:	Total 2018 Number	Total 2017 Number
Generating voluntary income	1	1
Generating income from conferencing and hospitality	156	154
Education: Academic programme	32	33
Education: Information resources	16	18
Membership subscriptions	7	6
Governance	2	2
Support functions	21	22
Total number of persons	235	236
Total employment costs were:	Total 2018 £000	Total 2017 £000
Staff costs amounted to:		
Wages and salaries	5,561	5,360
Social security costs	551	514
Defined contribution pension costs	503	500
Termination payments	281	8
Other employment costs / life assurance	887	842
Total employment costs	7,783	7,224

Staff costs of £1,841,000 (2017: £1,654,000) 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.

Total termination payments for 2018 was £281K for the Society (2017: £8K).

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

	2018 No.	2017 No.
The number of employees in the following remuneration bands were as follows:		
£70,001 to £80,000	-	3
£80,001 to £90,000	2	1
£90,001 to £100,000	2	3
£100,001 to £110,000	2	-
£130,001 to £140,000	1	1
£220,001 to £230,000	1	-
Pension contributions paid into a defined contribution scheme in respect of the above identified higher paid employees amounted to:	£000 135	£000 119

There were payments for redundancies or loss of office of £210,532 (2017: £nil) to staff receiving remuneration of over £60,000.

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 £1,052k (2017: £900k).

The remuneration during the year for Helen Gordon (resigned 3rd August 2018), Chief Executive, comprised remuneration payments of £225,573 (2017: £82,833). The value of employer contributions during the year to the Royal Society of Medicine defined contribution pension scheme was £27,387 (2017: £14,496).

Mark Johnstone, Finance Director, received remuneration payments of £134,144 (2017: £130,000) which included benefits in kind of £3,332 (2017: £2,990). The value of employer contributions during the year to the Royal Society of Medicine defined contribution pension scheme was £26,162 (2017: £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:

	RSMS	RSMSS Ltd		
PROFIT AND LOSS ACCOUNTS	2018 £000	2017 £000	2018 £000	2017 £000
Turnover	7,309	7,179	-	-
Cost of sales	(4,203)	(4,069)	-	-
Gross profit	3,106	3,110	-	-
Administrative expenses	(2,986)	(2,796)	-	-
Profit for the year before taxation	120	314	-	-
Tax charge	(23)	(60)	-	-
Retained profit for the year	97	254	-	-
BALANCE SHEETS	2018 £000	2017 £000	2018 £000	2017 £000
Tangible fixed assets	-	1000	1000	1000
Stocks	- 57	52	_	
Debtors	963	1,010	1	1
Bank balances	5	10	-	
Creditors	(765)	(642)		
Net assets and share capital and reserves	260	430	1	1
TANGIBLE FIXED ASSETS				

TANGIBLE FIXED ASSETS

Group	Leasehold Premises £000	Furnishings and Fittings £000	Plant, Vehicles & Office Equipment £000	Group Total £000
Cost or Valuation				
At 1 October 2017	27,091	600	10,854	38,545
Additions	-	-	440	440
Written off	-	-	(1,311)	(1,311)
At 30 September 2018	27,091	600	9,983	37,674
Depreciation				
At 1 October 2017	5,865	575	8,279	14,719
Charge for year	391	7	835	1,233
Written off	-	-	(1,318)	(1,318)
At 30 September 2018	6,256	582	7,796	14,634
Net Book Value at 30 September 2018	20,835	18	2,187	23,040
Net Book Value at 30 September 2017	21,226	25	2,575	23,826

The insured value of the assets (insurance brokers, Honour Point) included in Leasehold Premises as at 30 September 2018, is £74.6m (2017: £67.7m).

Charity	Leasehold Premises £000	Furnishings and Fittings £000	Plant, Vehicles & Office Equipment £000	Charity Total £000
Cost or Valuation				
At 1 October 2017	22,696	600	10,854	34,150
Additions	-	-	440	440
Written off	-	-	(1,311)	(1,311)
At 30 September 2018	22,696	600	9,983	33,279
Depreciation				
At 1 October 2017	5,150	575	8,279	14,004
Charge for year	345	7	835	1,187
Written off	-	-	(1,318)	(1,318)
At 30 September 2018	5,495	582	7,796	13,873
Net Book Value at 30 September 2018	17,201	18	2,187	19,406
Net Book Value at 30 September 2017	17,546	25	2,575	20,146

NOTES TO THE FINANCIAL STATEMENTS

9 INTANGIBLE FIXED ASSETS

Group and Charity	Software £000	Assets in course of construction £000	Group and Charity Total £000
Cost or Valuation			
At 1 October 2017	1,196	118	1,314
Additions	233	537	770
Written off	(175)	-	(175)
At 30 September 2018	1,254	655	1,909
Depreciation			
At 1 October 2017	802	-	802
Charge for year	13	-	13
Written off	(176)	-	(176)
At 30 September 2018	639	-	639
Net Book Value at 30 September 2018	615	655	1,270
Net Book Value at 30 September 2017	394	118	512

10 INVESTMENTS

Market value 30 September 2018

Long term investments:	Total 2018 £000	Total 2017 £000
Property		
Carrying value (fair value)		
Market value 1 October 2017	9,000	9,000
Unrealised gain	200	-

Charity

9,200

9,000

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

The valuation of the investment property is based on advice from the Society's retained Chartered Surveyors. This advice balances evidence on open market values on sale with discounted cash flow calculations on the notional market retail value of the Society's leasehold interest, discounted at 4.875% per annum.

Investment funds	Group and Charity		
	Total 2018 £000	Total 2017 £000	
Market value 1 October 2017	7,472	6,913	
Additions at cost	-	66	
Transfer to unrestricted cash	(500)	-	
Market value gains	311	493	
Market value 30 September 2018	7,283	7,472	
Short term investments:			
Market value 1 October 2017	570	760	
Additions at cost	131	46	
Disposal	(647)	(55)	
Market value gains / (losses)	339	(181)	
Market value 30 September 2018	393	570	
The total market value at 30 September comprises:			
Units in charity-approved multi-asset portfolio Common Investment Fund	7,283	7,472	
Investments quoted on recognised stock exchange	393	570	
Total Investment Funds	7,676	8,042	

11 HERITAGE ASSETS

	Group and C	Charity
Books and manuscripts	Total 2018 £000	Total 2017 £000
Value 1 October 2017	3,346	3,346
Unrealised gains	-	-
Value 30 September 2018	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:

	2018	2017	2016	2015	2014
	£000	£000	£000	£000	£000
Books and manuscripts	3,346	3,346	3,346	3,283	3,283

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

The preservation of these assets is the responsibility of the Director of Learning.

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

12 STOCKS

12	STOCKS	GROUP		CHARITY		
		2018 £000	2017 £000	2018 £000	2017 £000	
	Goods for resale	59	56	1	1	
		59	56	1	1	
	The amount of stocks recognised as an expense in cost of sales is £	866k (2017: £866k).				
13	DEBTORS					
	Trade debtors	402	696	15	109	
	Other debtors	249	202	247	202	
	Prepayments and accrued income	784	1,320	784	1,320	
		1,435	2,218	1,046	1,631	
14	CREDITORS: Amounts due within one year					
	Bank loan	300	300	300	300	
	Trade creditors	1,014	661	663	339	
	Accrued expenses/deferred income	1,284	1,328	1,035	1,207	
	Membership subscription income deferred (note 4)	1,441	1,580	1,441	1,580	
	Tax and social security	244	371	81	173	
	Amounts due to subsidiary undertakings	-	-	576	424	
	Other creditors	163	154	162	153	
		4,446	4,394	4,258	4,176	
15	CREDITORS: Amounts falling due after more than one year					
	Membership subscription income deferred (note 4)	844	759	844	759	
	Bank loan	300	600	300	600	
		1,144	1,359	1,144	1,359	
	On 15 September 2010, the Society entered into a £6m 10 year terr and floating charge over the Society's leasehold premises at 1/1A W is deemed to represent a basic financial instrument under the condit measured using the amortised cost model.	impole Street and interest is p	ayable at 2.5% ove	er LIBOR. For this re	eason, it	
	Between one and two years	300	300	300	300	
	Between two and five years		300	-	300	
		300	600	300	600	
16	PROVISIONS FOR LIABILITIES					
	Provision	210	210	210	210	
		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 2017	Transfers	Net incoming Resources	Net investment gains	Balance 2018
	£000	£000	£000	£000	£000
General	4,037	(137)	(495)	446	3,851
Designated Funds:					
Fixed Assets	26,784	(19)	291	-	27,056
Educational Funds	217	-	6	7	230
Sections' funds (note 21)	1,424	137	(101)	-	1,460
Academic Fund (note 21)	50	19	(19)	-	50
	32,512	-	(318)	453	32,647

The Tangible Fixed Assets Fund represents the net book value of fixed and heritage assets at 30 September 2018 after deducting related loan balances.

The designated educational funds represent moneys set aside predominantly to support Sections as described in note 21. The trustees have sought legal advice with the intention of formalising policy to improve spending of designated funds and have submitted proposals to the Charity Commission to this end.

18 PERMANENT ENDOWMENT AND RESTRICTED FUNDS - GROUP AND CHARITY

	Permanent endowment funds				Restrict	ed funds	
	Balance 2017 £000	New money/ gains on invt £000	Balance 2018 £000	Balance 2017 £000	New money/ gains on invt £000	Expenditure £000	Balance 2018 £000
ALARM Fund	-	-	-	29	1	(9)	21
Coloproctology Funds	40	2	42	49	2	-	51
Cowley Fund	101	5	106	25	3	-	28
Dobson Bequest	-	-	-	68	2	(4)	66
Dowling Endowment	61	3	64	14	2	(11)	5
Ellison Cliffe Lecture	165	8	173	13	5	(1)	17
M Feiwel	-	-	-	44	2	(1)	45
Finzi Bequest	-	-	-	342	11	(4)	349
Louis Forman Fund	-	-	-	208	7	-	215
W Gibson Research Scholarship	38	2	40	15	1	-	16
John Glynn Young Fellows Prize	40	2	42	7	1	-	8
International Relations	-	-	-	127	11	(52)	86
Jephcott Lecture Fund	1,035	53	1,088	134	34	(15)	153
Richard Kovacs Fund	156	8	164	75	5	-	80
G Levene Memorial Fund	-	-	-	88	3	(2)	89
Library Restricted Fund	-	-	-	51	3	(35)	19
London Clinic	-	-	-	35	0	(12)	23
Mental Health Initiatives	-	-	-	25	37	(27)	35
Ophthalmology Fund	50	2	52	14	2	-	16
Rank Fund	-	-	-	281	13	(31)	263
Smith Kline French	138	7	145	35	5	-	40
Stevens Fund	-	-	-	385	15	(11)	389
Lord Soulsby	-	-	-	100	0	(31)	69
RSM Foundation	-	-	-	-	200	-	200
Various Funds of less than £30,000	439	42	481	592	67	86	745
Totals	2,263	134	2,397	2,756	432	(160)	3,028

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
- 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
- . 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.
- RSM Foundation To fund the Hewitt and Frohlich awards, and cover costs of administration of these funds. Remaining funds can be used for the RSM's general charitable purposes of Medical Education.

19 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds £000	Designated funds £000	Endowment funds £000	Restricted funds £000	Total funds £000
Fixed assets and heritage assets	-	27,656	-	-	27,656
Fixed asset investments	2,691	174	2,377	2,041	7,283
Current assets	6,360	1,566	20	987	8,933
Current liabilities	(4,146)	(300)	-	-	(4,446)
Liabilities due after more than one year	(844)	(300)	-	-	(1,144)
Provisions for liabilities	(210)	-	-	-	(210)
Group Net Assets	3,851	28,796	2,397	3,028	38,072

20 FINANCIAL COMMITMENTS

(i) Operating leases

The total of future minimum rentals payable under non-cancellable operating leases at 30 September 2018 is £10k (2017: £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 £281k (2017: £693k).

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 £
Anaesthesia	38,996
Cardiology	50,343
Cardiothoracic	15,048
Catastrophes and Conflict	0
Clinical Forensic & Legal Medicine	12,811
Clinical Immunology & Allergy	28,728
Clinical Neurosciences	11,172
Coloproctology	15,969
Comparative Medicine	291
Critical Care	23,630
Dermatology	59,789
Digital Health	37,074
Emergency Medicine	22,130
Endocrinology & Diabetes	38,070
Epidemiology & Public Health	(5,594)
Food & Health Forum	19,568
Gastroenterology & Hepatology	26,441
General Practice with Primary Healthcare	30,390
Geriatrics & Gerontology	11,516
Histopathology	0
History of Medicine	12,893
Hypnosis & Psychosomatic Medicine	10,009
Intellectual Disability Forum	818
Laryngology & Rhinology	30,143
Lipids, Metabolism & Vascular Risk	17,603
Maternity and the Newborn Forum	12,891
Medical Genetics	13,229
Military Medicine	22,743
Nephrology	25,676
Obstetrics & Gynaecology	22,061
Odontology	(11,272)

Section	Year end balance
Oncology	13,080
Occupational Medicine	9,208
Open	4,275
Ophthalmology	86,078
Oral & Maxillofacial Surgery	9,608
Orthopaedics	79,064
Otology	23,966
Paediatrics & Child Health	103,947
Pain Medicine	17,112
Palliative Care	32,511
Pathology	20,807
Patient Safety	18,268
Plastic Surgery	14,089
Psychiatry	28,770
Quality in Healthcare	(659)
Radiology	98,188
Respiratory Medicine	56,827
Retired Fellows	24,475
Rheumatology & Rehabilitation	6,243
Sexuality & Sexual Health	7,004
Sleep Medicine	17,318
Sport & Exercise Medicine	4,178
Student Members	31,549
Surgery	10,876
Trainees	16,909
Urology	90,116
Vascular Medicine & Lipids	12,316
Venous Forum	30,360
Total Section Funds	1,459,649
Total Academic Fund	50,000

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 such transactions during this financial year.

During the year, sales of £779k (2017: £776k) were made on normal trading terms by RSM Support Services, a wholly owned subsidiary of the Royal Society of Medicine, to the parent Charity. Management charges of £1,730k (2017: £1,729k) were paid by RSM Support Services Limited to the parent Charity. As at 30 September 2018, £576k (2017: £424k) was owed to this company by the parent Charity.

RSM Sections and their Presidents

Section	President 2018/19	President 2017/18	
Anaesthesia	Dr Andrew Hartle	Dr Andrew Hartle	
Cardiology	Professor Nikhil Patel	Professor Mark O'Neill	
Cardiothoracic	Mr Kandadai Rammohan	Mr Kandadai Rammohan	
Clinical Forensic & Legal Medicine	Dr Christopher Clark	Dr Christopher Clark	
Clinical Immunology and Allergy	Dr Tabi Leslie	Dr Michael Rudenko	
Clinical Neurosciences	Professor Michael Kopelman	Professor Peter Hutchinson	
Coloproctology	Mr Ciaran Walsh	Professor Humphrey Scott	
Comparative Medicine	Dr Gwen Covey-Crump	Dr Gwen Covey-Crump	
Critical Care Medicine	Professor Michael Grocott	Professor Michael Grocott	
Dermatology	Professor Jemima Mellerio	Dr Helene du P Menage	
Digital Health	Mr Clive Flashman	Mr Clive Flashman	
Emergency Medicine	Dr Paul Reavley	Lieutenant Colonel Paul Reavey	
Endocrinology & Diabetes	Dr Gerard Conway	Dr Gerard Conway	
Epidemiology & Public Health	Dr Gabriel Scally	Dr Gabriel Scally	
Food & Health Forum	Dr Tatiana Christides	Dr Tatiana Christides	
Gastroenterology & Hepatology	Dr Charles Murray	Dr Charles Murray	
General Practice with Primary Healthcare	Mr Robert B W Hutchinson	Mr Robert Hutchinson	
Geriatrics and Gerontology	Professor Ronald Hamdy	Dr Mashkur Khan	
History of Medicine Society	Dr Anjna Harrar	Dr Catherine Sarraf	
Hypnosis & Psychosomatic Medicine Intellectual Disability Forum	Dr Raj Sharma Dr Martin Bollard	Dr Raj Sharma Dr Kieran O'Malley	
	Professor Shahed Quraishi OBE	Mr Peter Clarke	
Laryngology & Rhinology Lipids, Metabolism & Vascular Risk	Professor Sean Carroll	Professor Sean Carrol	
	Miss Nina Khazaezadeh		
Maternity and the Newborn Forum Medical Genetics		Dr Margaret Redshaw	
	Dr Melita Irving	Dr Melita Irving	
Military Medicine	Lieutenant Colonel Ian Gurney	Lieutenant Colonel Ian Gurney	
Nephrology	Dr Constantina Chrysochou	Dr Elham Asgari	
Obstetrics & Gynaecology	Mr Michael Dooley	Dr Dudley Robinson	
Occupational Medicine	Dr Robin Cordell	Dr Robin Cordell	
Odontology	Dr Rupert Austin	Dr Rupert Austin	
Oncology	Dr Bhawna Sirohi	Dr Paras Dalal	
Open Open	Dr Paquita de Zulueta	Dr Paquita de Zulueta	
Ophthalmology	Mr Nicholas Lee	Professor Christopher Bentley	
Oral & Maxillofacial Surgery	Mr Alistair Cobb	Mr Alistair Cobb	
Orthopaedics	Mr Bob Chatterjee	Mr Bob Chatterjee	
Otology	Mr Richard Irving	Mr Gavin Morrison	
Paediatrics & Child Health	Dr Margarita Burmester	Dr Saji Alexander	
Pain Medicine Section	Ms Louise Clark	Dr Anthony Ordman	
Palliative Care	Dr Vivian Lucas	Dr Vivian Lucas	
Pathology	Dr Amit Patel	Dr Ian Hosein	
Patient Safety	Dr Susan Burnett	Dr Susan Burnett	
Plastic Surgery	Mr Navid Jallali	Dr Ibby Younis	
Psychiatry	Dr Valeria Mondelli	Professor Michael Maier	
Radiology	Dr Richard Graham	Dr Richard Graham	
Respiratory Medicine	Dr Michael Beckles (acting)	Dr Michael Beckles	
Retired Fellows Society	Dr James Carne	Dr James Carne	
Rheumatology & Rehabilitation	Dr Elena Nikiphorou	Dr Stephanie Kaye-Barrett	
Sexuality & Sexual Health	Dr Omi Ohizua	Dr Omi Ohizua	
Sleep Medicine	Dr Hugh Selsick	Dr Hugh Selsick	
Sport & Exercise Medicine	Dr Ajai Narain Seth	Dr Brinda Christopher	
Students	Miss Zeinab Ruhomauly	Mr Binay Gurung	
Surgery	Professor Ameet Patel	Mr Ben Cresswell	
Trainees	Major Alan Weir	Dr Upasana Tayal	
Urology	Mr Jeremy Noble	Mr Roland Morley	
Vascular Medicine	Professor Sean Carroll	Professor Saroj Das	
Venous Forum	Mr lan Franklin	Mr Isaac Nyamekye	

RSM Highlights

2017/18













5.





- 1. Professor Sir Simon Wessely (left), RSM President, awards the RSM Medal to Professor Alan Roberts in recognition of his significant contribution to the work of the Society
- 2. The Child Health Festival: A novel educational experience
- 3. Luis Fernandez celebrates 40 years working at the RSM with friends and colleagues
- **4.** In January 2018, artist Cathie Pilkington RA gave the annual *Arts, Society and Medicine* lecture in collaboration with the Royal Academy of Arts
- 5. His Royal Highness The Duke of Cambridge receives an Honorary Fellowship from the RSM. From left: Sir Simon Wessely, HRH The Duke of Cambridge and RSM Past President Mr B Sethia
- **6.** The September 2018 Medical Innovations Summit celebrated the 10th anniversary of medical innovation at the RSM

- 7. Dermatologist Dr Satveer Mahil was named the Wesleyan RSM Trainee of the Year 2017 for her research that identified a group of inflammatory proteins as a new target for the treatment of psoriasis
- 8. Mustafa Suleyman, Co-Founder & Head of Applied Al at Deep Mind, delivers the Ellison-Cliffe lecture
- 9. High profile panel of speakers gathers at the RSM to discuss how to deal with the spiralling incidence of knife crime
- **10.** Dr Adam Kay, former registrar in Obstetrics and Gynaecology and best-selling author of *This is Going to Hurt: Secret Diaries of a Junior Doctor*, gave the 2018 London Clinic Lecture.

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