

# ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2016



The Royal College of Psychiatrists  
Annual Report and Financial Statements  
31 December 2016

Charity Commission for England and Wales  
Registration Number 228636

Office of the Scottish Charity Regulator  
Registration Number SC038369

# CONTENTS

## REPORTS

Trustees' report

page [2](#)

Introduction

page [2](#)

President's message

page [3](#)

Message from our retiring Chief Executive

page [4](#)

Message from new Chief Executive

page [5](#)

Achievements and activities:  
highlights

page [6](#)

Trustees responsibility statement

page [20](#)

Treasurer's report and  
financial review

page [21](#)

Structure, governance  
and management

page [30](#)

Independent auditor's report

page [32](#)

## FINANCIAL STATEMENTS

Statement of financial activities

page [33](#)

Balance sheet

page [34](#)

Statement of cash flows

page [35](#)

Principal accounting policies

page [38](#)

Notes to the financial statements

page [43](#)

## APPENDIX

About us

page [66](#)

# TRUSTEES' REPORT

## Introduction

This is the report of the Board of Trustees of the Royal College of Psychiatrists, including the accounts of the College, for the year ended 31 December 2016.

The accounts have been prepared in accordance with the accounting policies set out on pages 38 to 42 of the attached accounts and comply with the College's Charter, applicable laws and the requirements of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, effective from 1 January 2015. Published in July 2014.

## College objectives and activities

In 1971 the College was established to:

- Advance the science and practice of psychiatry and related subjects
- Educate the public about psychiatry and related subjects
- Promote study and research work in psychiatry – and all sciences and disciplines connected with the understanding and treatment of mental disorder in all its forms and aspects, and related subjects – and publish the results of all this study and research.

As a registered charity (number 228636 with the Charity Commission for England and Wales and number SC038369 with the Office of the Scottish Charity Regulator), we have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities we undertake. This annual report sets out the details of our work in 2016 that demonstrates public benefit.

The College is a registered charity incorporated by Royal Charter. The College's affairs are managed and regulated in accordance with its Bye-laws and Regulations.

The Trustees are satisfied that all strands of the College's activities come under the overarching goal of improved mental health for all, and therefore work both directly and indirectly toward the benefit of the public.

## President's message



While I may have hoped that my last year as President as the Royal College of Psychiatrists might have been a chance to rest on my laurels, external events seemed to have other ideas. We have been faced by a number of challenges with many members feeling the squeeze from ever tighter NHS budgets leading to low morale amongst some of our members especially our junior doctors engaged in a long-running industrial dispute.

The College has however risen to these challenges and kept its focus on improving the lives of people with mental illness. We continue to do this by setting and achieving the highest standards of psychiatry, through education, training and research as well standing up for our members.

During 2016, we worked closely with the Mental Health Taskforce to help draw up the NHS England Five Year Forward View for Mental Health. We welcomed the detailed plan to improve the delivery of mental health services and the ambitious targets to improve people's lives. The devil is, of course, in the detail. The College will continue to push for the promised funding to reach the frontline, and for the Government to lay out a clear plan of how it will ensure that sufficient mental health staff will be available to deliver the strategy.

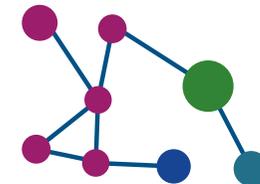
It has also been a time of change within the College with Vanessa Cameron, who has been our Chief Executive for an incredible 33 years, leaving us and Paul Rees taking on the role. I am sure he will be a worthy successor to carry on with Vanessa's great work.

Professor Sir Simon Wessely  
President

### How the College meets the legal requirements of the Charities' Act

Trustees are satisfied that:

- the College's activities come under the college's main goal of improving the lives of people with mental illness through patient-centred care, and
- we meet our duty under Section 4 of the Charities Act 2011 to make sure that what we do is for the public benefit



## Message from our retiring Chief Executive



After 36 years at the RCPsych, I retired on 15 December 2016. When I joined the organisation, it was very old fashioned. It had just 6,000 members, 28 staff

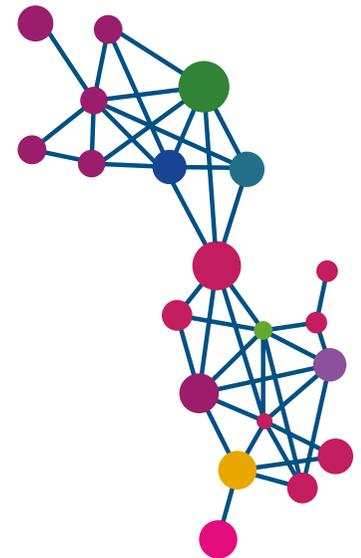
and our turnover was not even £300k. Compare that to the College now. We have 17,919 members, 223 staff, and our turnover is £20,942k. Put simply, the College today is totally unrecognisable from the one I joined all those years ago.

It has been a privilege to modernise the College and to introduce new structures and activities, but I am only too aware that I couldn't have achieved anything without the assistance of the College's honorary officers, the senior management team, the staff and of course the College members. The commitment by all at the College to improve the lives of people affected by mental illness is exhibited on a daily basis. I have been impressed by the variety and professionalism of the people with whom I have worked and doubt that any other organisation would compare as favourably; I will miss it.

I was pleased to give a very warm welcome to Paul Rees, who became the RCPsych's Chief Executive from 19 December. He will soon discover what a meaningful and rewarding role it is. The first year's update of the College's Operational Plan 2015-2016 demonstrates the full range of activities the College is undertaking to fulfil its strategic objectives; this Annual Report highlights just a few of them.

Vanessa Cameron  
Chief Executive

15 December 2016



## Message from our new Chief Executive Paul Rees



I want to start off by thanking former Chief Executive Vanessa Cameron, who has retired after 36 years at the College.

As a result of the work of Vanessa, the President and many others, the College finds itself today in a very strong position. It has:

- An excellent new headquarters, which is very popular among members
- A growing membership
- An annual membership retention rate of 98%
- Strong finances, and
- An increasingly strong voice with government.

During my first few weeks with the College, I have spoken with many people about what is working well and what could be strengthened and enhanced. Among the people I have spoken to have been the College's honorary officers, members from across the UK, trustees, senior managers, middle managers and junior members of staff. I have also looked at the findings of a number of focus groups that were done with members on how we communicate and engage with them.

Having assessed what I have heard and read, I believe we could help make the College even more effective in the way that it works on behalf of its members and their patients. During 2017, we will strive to:

- Enhance the way we engage with our members, to boost membership experience for all members of the RCPsych wherever they live and work
- Enhance the way we communicate with stakeholders, to increase our influence with decision-makers and opinion formers
- Enhance the way we engage with our employees, both to boost morale and ensure an excellent employee experience.

It is a real honour and privilege to be the new Chief Executive of the RCPsych. I very much look forward to reporting the outcomes of our work next year.

Paul Rees  
Chief Executive

19 December 2016

## Our key objectives

### Set standards of excellence for individual practice and services

To set and achieve, for the benefit of patients, the highest standards of psychiatric care through education, training and research

### Workforce: recruitment, retention and development

To grow the profession through leadership and support, providing high-quality training to allow psychiatrists to deliver safe care of the highest standard at all stages of their career

### Communication: internal and external

To develop standards, improve services and remove stigma by involving and working with people affected by mental illness, our members, the wider health team, partners and key audiences

RCPsych Strategic Plan 2015–2018

# ACHIEVEMENTS AND ACTIVITIES: HIGHLIGHTS

The highlights we have focused upon are set out on the following pages in the order of our three key strategic objectives.

## 1. Set standards of excellence for individual practice and services

To set and achieve, for the benefit of patients, the highest standards of psychiatric care through education, training and research

The College aims to ensure that the standards it sets, across all of its activities, are coordinated, kept up to date and accessible. Our objectives include defining models of care, identifying excellent services, promoting parity of esteem and influencing the National Institute for Health and Care Excellence (NICE) guidance.

A key role of the College is to set standards for psychiatrists, through Good Psychiatric Practice and its associated guidance documents, and College Reports. But our standard setting and implementation activities are very much broader and more complex than that. For example, they include:

- The National Collaborating Centre for Mental Health (NCCMH): specialises in producing evidence-based guidance for practice and was until recently a partnership between the Royal College of Psychiatrists and the British Psychological Society (BPS); towards the end of 2016 steps were in hand to change our partnership from the BPS to University College London
- The College Centre for Quality Improvement (CCQI) sets standards for services
- Commissioning guidance developed by the Joint Commissioning Panel for Mental Health sets standards for commissioners

- The College's Psychiatrists Support Service and an associated Invited Review mechanism that assesses individuals and services.

### The National Collaborating Centre for Mental Health (NCCMH)

NCCMH continues to deliver robust and up-to-date evidence-based guidelines and quality standards, which underpin the value of research and make current research more accessible to clinicians.

The NCCMH has been successful in attracting a significant programme of work funded by NICE and NHS England.

### Safe, Effective and Compassionate Staffing programme

NCCMH has now received the full grant from NHS England to develop guidance for safe, effective and compassionate staffing in the NHS.

Guidance will be produced on staffing levels, leadership, team dynamics supervision and staff support in inpatient, urgent and emergency, and planned care community settings for both adults and children and young people.

This new work programme will refer to the [Mental Health Staffing Framework](#) designed to ensure the right people with the right skills are recruited to the right inpatient mental health care settings, and NHS Improvement, who produced that framework for the National Quality Board (NQB), will be involved in the governance structure for the project. In November 2016, the NCCMH convened a scoping meeting to set out the parameters of the work programme.

### Achieving Better Access Programme

The NCCMH has been working on developing a series of evidence-based treatment pathways (EBTPs) as part of the Achieving Better Access (ABA) programme, commissioned by NICE on behalf of NHS England, which supports the [implementation of the five year forward view](#). We have achieved funding of £2.7m over two years for the delivery of the EBTPs.

So far, three EBTPs have been published; on eating disorder services for children and young people, early intervention in psychosis, and urgent and emergency liaison mental health services.

Another four EBTPs have been submitted to NHS England and NICE, and we expect them to be published early in 2017:

- Dementia
- Perinatal mental health services
- Urgent and emergency mental health care – blue light services
- Urgent and emergency mental health care – children and young people

A further six EBTPs are currently in development:

- Children and young people's mental health: first point of access; scheduled care; and intensive interventions
- Acute mental health care
- Emergency mental health care – community care and 24/7
- Two Implementation guides:
  - Integrated mental and physical health: Psychological therapies for depression and anxiety disorders in people with long-term physical conditions or with medically unexplained symptoms interim guide
  - Integrated mental and physical health: Psychological therapies for depression and anxiety disorders in people with long-term physical conditions or with medically unexplained symptoms and planned care liaison mental health

- Improving Access to Psychological Therapy (IAPT)
- Inpatient care for children and young people with an eating disorder

#### Positive Practice Collaborative

The NCCMH has been working with the [Positive Practice Collaborative](#) to identify services that are already delivering against the EBTPs. The Collaborative launched its new website in January at Portcullis House in Westminster. The website contains examples of positive practice as identified by the NCCMH in the course of their EBTP work.

#### College Centre for Quality Improvement (CCQI) National Clinical Audits, Service Quality and Accreditation Projects

CCQI aims to support services to improve the quality of care they offer by auditing or reviewing services against established guidelines and standards.

- **Clinical Audits**
- **Service Quality and Accreditation Projects**
- **Inpatient Services**
- **Community Services**

#### Clinical Audits

CCQI currently hosts national clinical audits for [dementia](#) and early intervention in psychosis, the prescribing observatory for mental health and the mental health Commissioning for

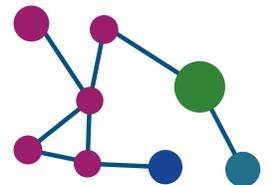
Quality and Innovation payments framework ([CQUIN](#)).

#### Service quality and accreditation projects

Our quality and accreditation projects cover a number of different types of inpatient and community services. We work with them to improve standards through a process of regular peer review and self review.

Over half of the 20 quality standards published by the College Centre for Quality Improvement (CCQI) have been reviewed and updated during 2016. They are standards for:

- Medium secure units
- Low secure units
- Prison mental health teams
- Memory services
- Inpatient services for people with learning disabilities
- Community mental health services
- Inpatient services for adults with an eating disorder
- Community perinatal mental health services
- Inpatient rehabilitation services
- Inpatient services for older people



### The Joint Commissioning Panel for Mental Health (JCPMH)

The JCPMH is co-chaired by the Royal College of Psychiatrists and the Royal College of General Practitioners. It is a collaboration between 17 leading organisations, inspiring commissioners to improve mental health and wellbeing, using a values-based commissioning model.

The JCPMH marks its fifth anniversary in March 2016 and, to date, it has published 18 guides. The JCPMH has developed practical guidance on, for example, what good services for mental illness, dementia and learning disabilities should look like, plus guidance on public mental health and values-based commissioning.

A further two guides were published during 2016: Medically Unexplained Symptoms and Primary Care Mental Health Services for Deaf People. Guides on Supported Housing and an update on Rehabilitation Services are expected to be concluded in 2017.

The JCPMH has also joined forces with the Strategic Health Authority Mental Health Leads Group to [design tools](#) to help commissioners.

The JCPMH:

- publishes briefings on the key values and principles for effective mental health commissioning
- provides practical guidance and a framework for mental health commissioning

- supports commissioners in commissioning mental health care that delivers the best possible outcomes for health and wellbeing
- develops guidance for best practice commissioning in areas where disparities in outcomes exist
- bring together patients, service users, clinicians, commissioners, managers and others to deliver the best possible commissioning for mental health and wellbeing

All of the Joint Commissioning Panel's publications can be downloaded from [www.jcpmh.info](http://www.jcpmh.info).

### Psychiatrists' Support Service (PSS)

At the end of 2016 PSS marked 10 years of service. During the year, we have been looking at ways to promote our services and improve feedback collection. We have analysed the case data collected since the PSS's inception in 2007 and reported on the most common issues faced, how these correlated with age and gender distribution and how various promotion methods over the years have affected the number of calls received. The PSS also began to undertake an update of all its literature, with this all on track to be current in the first half of 2017.

- Updated 13 of 18 information guides on the website, 7 of 18 leaflets as pdfs with the

rest to be completed in early 2017. These include *Coping With Complaints, Dealing with Exams, Probity, Bullying & Harassment, Career in Medical Management, From Trainee to Consultant*

- Holds three Committee meetings per year that include a presentation from an external presenter – in the October 2016 meeting, this was “Autism in the workplace” by Ian Donaldson, and also a confidential case discussion session with all the doctor advisors comparing common issues, giving feedback and sharing possible resolutions that have worked well.
- Adapted its feedback method to employ SurveyMonkey at the end of 2016, with improved response rates so far.

### Invited Review Service (IRS)

Over the past three years the IRS has become far more active: there have been 18 reviews completed in three years compared with 11 reviews in the preceding 11 years. In 2016 there were four reviews, with another one having been set for January 2017. There have been increased efforts to collaborate with other Colleges carrying out Invited Reviews to overcome common issues:

- The IRS attended an intercollegiate event, an Invited Reviews Workshop at the Academy of Medical Royal Colleges in December. Topics of discussion included standardising training

and recruitment of reviewers and a plan to collaborate where possible in providing this, and common approaches to legal issues likely to be faced.

- The IRS holds an annual two-day meeting for the service reviewers, to use the peer group to set shared standards and to take a position on dilemmas and difficult problems. The meetings so far have been very successful and another is planned for May.
- The IRS has focused on building links with the CCQI and external bodies, including the General Medical Council.

#### **Greener mental health: Sustainability**

Sustainability for healthcare focuses on economic, environmental and social factors that could affect health in the future.

In early 2016, the College appointed Dr Daniel Maughan as Associate Registrar for Sustainability who will lead on this work. Demonstrating its commitment to greener mental health care, the College has asked Dr Maughan to build on his achievements as Sustainability Fellow. So far, this has included producing:

- A methodology for estimating the carbon footprint of mental health services, which will be piloted during 2017 by the sustainability scholars
- Three research papers have been published on the carbon footprint of specific mental health services

- The first round of [Choosing Wisely](#), an initiative to help patients and doctors to choose care that is supported by evidence, not duplicative of other tests or procedures already received, free from harm, and truly necessary
- [An Occasional Paper](#) (OP 97) that outlines how members can improve the sustainability of mental health services
- A commissioning guide for sustainable mental health care has been written by committee members and published by the JCPMH. This guide supports members to engage CCGs in their commissioning decisions. Five sustainability scholars have been appointed in the second year of this successful programme



## 2. Workforce: recruitment, retention and development

To grow the profession through leadership and support, providing high-quality training to allow psychiatrists to deliver safe care of the highest standard at all stages of their career.

### Recruitment

Recruitment remains a challenge and is a priority for the College and Higher Education England (HEE), NHS Education for Scotland, the Wales Deanery and the Northern Ireland Medical and Dental Training Agency.

The College is working on a variety of initiatives through the expansion of the Foundation Programme, Promoting Recruitment into Psychiatry (PRIP) Committee, the Psychiatric Trainees' Committee (PTC) and Workforce Committee as well as working closely with HEE and Health Boards to improve recruitment, retention and improved medical workforce planning.

### Promoting recruitment into psychiatry

The College's Promoting Recruitment into Psychiatry (PRIP) five-year campaign has been extended and an Associate Dean for Recruitment has been appointed to lead the next phase of activity. In a challenging environment, recruitment into psychiatry has remained constant, where recruitment to many other medical specialties has diminished.

### The Foundation Year

The College has, amongst other things, developed a [Broadening the Foundation Programme Strategy 2016-2021](#) to support the expansion of Psychiatry in the Foundation Programme.

One element of this is our aim to maintain contact with, and support, Foundation Doctors as they choose their specialty career. We are creating a new grade of formal association with the College for Foundation Doctors. The grade will be called *Foundation Doctor Associate*, which will be launched in 2017.

Foundation Doctors are fully qualified medical practitioners in their first two years of post-graduate training but who have not yet made a career choice regarding medical specialty. The College aims to increase engagement with Foundation Doctors, who are at a key decision making point of their career.

The benefits of the new *Foundation Doctor Associate grade* would be largely the same as for Student Associates: a fee would not be charged and it would include access to free online journals and learning modules. Events and information would be specifically targeted at Foundation Doctors with relevant prizes and

bursaries; particularly in the sub-specialties of psychiatry.

The College is engaging with Trusts, deaneries and local education providers to increase the number of foundation placements in psychiatry. It is vital that the College also engages with the doctors undertaking these placements to encourage them to choose psychiatry as a career, and to feel engaged with their future College.

### Workforce

The College plays a major role in workforce planning and aims to ensure a well-trained workforce of psychiatrists working in the UK to deliver safe, sustainable and flexible services for patients.

The Training and Working Unit, based in Professional Standards department in the College, supports and manages a number of workstreams as part of this aim.

### Workforce planning

The College works with the General Medical Council, HEE, NHS Education for Scotland, the Wales Deanery and the Northern Ireland Medical and Dental Training Agency to support improvements to the planning of education and training programmes.

HEE has published a [workforce plan for 2015-16](#). For the past two years, the College has agreed with its faculties and workforce advisors a written submission in response to HEE's call for evidence to all medical royal colleges.

The Royal College of Psychiatrists [provided a response](#) in July 2015, setting out the evidence of workforce needs across the psychiatric specialties. The College also works closely with the Centre for Workforce Intelligence (CfWI), who published in 2014 an [in-depth study](#) on the future workforce needs in psychiatry.

We have collated a response to the most recent HEE Mental Health Workforce Strategy and our next biennial workforce census of psychiatric specialty posts will be published during 2017.

### Medical Training Initiative

The Medical Training Initiative (MTI) is designed to enable a small number of International Medical and Dental Graduates to enter the UK to experience training in the NHS for up to two years before returning to their home country. Under the scheme, training capacity not required for planned UK/EEA training numbers is made available for overseas doctors and dentists who meet the required eligibility criteria.

The MTI scheme is in its third year and 24 RCPsych MTI International Fellows will be taking up posts during 2016; the next application round (for posts in August 2017) opened on 17 October 2016.

The paid posts are approved by Deaneries and Local Education Training Boards; the Academy of Medical Royal Colleges (AoMRC) acts as the UK sponsor to enable participants to apply for the appropriate visa with the UK Borders Agency.

The current arrangements ensure that the UK continues clinical links around the world, promoting UK healthcare and education. The Tier 5 visa and the MTI Scheme contribute to the UK's global health agenda, and to the World Health Organization (WHO) code of practice on international recruitment of health personnel with its aim to "...protect and strengthen the health systems of developing countries."

In March 2016 the Department of Health (DH) announced that it would no longer fund the Royal Colleges' MTI work and will review the funding allocated to the AoMRC the main UK sponsor of the scheme. The RCPsych's International Advisory Committee agreed to charge Trusts £750 for each RCPsych MTI International Fellow linked to the Trust; this will come into effect in 2017.

Discussions are ongoing between the Royal Colleges, AoMRC, the DH, UK Visa and Immigration about how the scheme could continue and develop.

### Pathfinder fellowships

This is a popular initiative and the College has just appointed 20 Fellows to a three-year programme worth £5,000 per person, they are matched to an Academic Mentor and invited

to present at Congress. This amount enables Pathfinder Fellows to fund their electives and to access continuing professional development materials through the College and our website.

The Pathfinder Fellowship project was launched in 2012 to encourage the brightest medical students to consider mental health and psychiatry and, ultimately, to choose to make their careers within the profession. In 2017, the fellowship has been increased to a cohort of 20.

The Pathfinder Fellows undertake to spread the influence of the College by being ambassadors at their medical schools, writing blogs and papers and participating as fully as possible in many psychiatry activities.

### Trainees Online (TrOn)

TrOn is an online learning resource designed to support Core Trainees as they prepare to take the College Membership Exams. TrOn offers Core Trainees in psychiatry a free and quality-controlled website, verified by the College. It provides interactive learning modules, to support trainee psychiatrists in preparing for the MRCPsych exams.

All modules have been peer-reviewed by experts, checked by the College's Examinations Panel for relevance to the MRCPsych syllabus and are supported by the College's Psychiatric Trainees' Committee (PTC).

Module topics are drawn from the basic sciences of the MRCPsych curriculum. Each

one will take around 1-1½ hours to complete and it is intended that, in conjunction with the specific 'Key Reading' list, an examination-level understanding of a given topic can be expected. By the end of 2016, 63 Basic Science modules have been completed.

TrOn's funding has drawn to an end; it was initially created by a one-off exam super-surplus (Trainees' fund). The maintenance of TrOn will continue but new modules will not be added.

#### **Start Well**

Start Well, the College's initiative for new consultants and locum consultants, continues to grow with events taking place in London and North West Divisions as well as presentations to the Leadership & Management Committee. We are encouraging divisions to hold regional events for new consultants, locum consultants and ST6 trainees to support them at this time of transition. Another central Start Well event is being planned for 2017.

#### **Spreading information about best practice**

Faculties and Divisions throughout the UK hold regular residential and academic meetings where College members can hear lectures from national and international experts, and debate current developments. Our special interest groups allow members to debate and learn about an even wider range of areas within the field of psychiatry. Meetings on subjects such as mentoring and coaching skills offer a mix of

teaching-based and experience-based learning so members can pass on the information they have gained. All these meetings help to make sure that information about best practice is widely shared.



### 3. Communication: internal and external

To develop standards, improve services and remove stigma by involving and working with people affected by mental illness, our members, the wider health team, partners and key audiences.

#### An enhanced focus on strategic communications

The RCPsych is modernising its communications. A Director of Strategic Communications has been appointed and a UK-wide strategic communications plan has been agreed and an associated engagement plan will follow in 2017.

Initiatives include:

- A full programme of Public Affairs engagement including regular meetings with Ministers and teams in all relevant government departments; briefing and engaging with the opposition parties; supporting the House of Commons all party group on mental health; attending and delivering a series of high level events at the political party conferences in England, Wales, Northern Ireland and Scotland
- Defining clear key messages and narrative to support the College's priorities. These will be communicated to stakeholders via the website, social media and other channels
- Introduce a new approach to digital content which will help to make sure our content is

easy to understand and act on; this will be rolled out across the College over the next year. We have started planning the new College website and aim to transform the look and feel of it. We will launch the new website over the next year

- The website contains a wide-range of clear information about mental health via the College's leaflets. During 2016/17 we will be improving the presentation of the leaflets and will make them easier to find on our website
- We are piloting projects in which the Strategic Communications team will develop communication plans for selected Faculties and Divisions, to help coordinate and raise awareness of their activities.

#### Examples of our strategic communications activities

##### **Mental Health Taskforce**

The Mental Health Taskforce, launched in March 2015, has been responsible for creating and publishing a new five-year, all-age national strategy for mental health to 2020, aligned to NHS England's Five Year Forward View.

Prof Sir Simon Wessely, President of RCPsych and Dr Adrian James, Registrar, with the support of our policy unit, have played a key role in its development, working alongside the Chair, Paul Farmer, Co-chair, Jacqui Dyer and other members of the Taskforce.

The Taskforce's approach has been one of co-production, involving people with lived experience of mental health problems, carers, professionals, providers, voluntary organisations and the component parts of the NHS throughout the process. The policy unit has made sure that the views of people working across all psychiatric specialties were incorporated.

The Taskforce published its final report in February 2016. It marks the first shared national ambition for mental health in the NHS for the arms-length bodies, across the life course, with each recommendation being designed to help deliver the Five Year Forward View.

It has implications for service users, carers and families as well as the NHS workforce, NHS providers and commissioners. The Taskforce

recommendations will also be relevant to the policy unit's existing and forthcoming projects, including, but not limited to, our work on the New Care Models programme and the Commission on Acute Adult Psychiatric Care, chaired by Lord Crisp.

### **Mental health in the Vanguard**

The NHS Five Year Forward View launched a series of new models of care that are now being tested in selected sites across the country. There are 50 vanguard sites in England, each examining different ways of improving and integrating services in their local area. Once evaluated, the most successful models will act as a blueprint for other parts of the NHS.

### **Why we're doing this project**

There is a compelling case for improving the connection between mental health services and other parts of the health and care system, and the vanguard sites represent an important opportunity to do so. Developing more integrated approaches towards mental health will need to be a key focus for vanguard sites if they are to achieve their goals of improving the quality and efficiency of care.

### **What we're doing**

The Royal College of Psychiatrists is working in partnership with the [King's Fund](#) to understand the extent to which opportunities for mental and physical health integration are being

realised in the vanguard sites. Our work in this area has three main components:

1. Establishing what successful integration of mental health in vanguard sites could look like, through consultation with service users, carers, clinicians and other stakeholder groups
2. Working with local system leaders to examine the degree to which integration is successfully taking place in vanguard sites and share case studies of sites that have achieved this
3. Identifying the main barriers to successful integration and developing advice on how these can be overcome.

We expect to publish the main report from our research in spring 2017. Through our work we hope to inform policy-making and practice and support the development of new models of care both locally and nationally.

### **Related College work**

In addition to the above, we are also working collaboratively with our stakeholders around issues affecting workforce transformation, informatics, commissioning models and payment mechanisms in the vanguard sites. Through this work we are:

1. Engaging with our Expert Reference Group of specialist advisors and Faculty Chairs from the College and beyond

2. Engaging with our clinical network of members working in vanguard sites in order to share intelligence
3. Visiting vanguard sites to learn from good practice on the ground.

### **The Commission to Review the Provision of Acute Inpatient Psychiatric Care for Adults**

The Commission on Acute Adult Psychiatric Care was set up in 2015 by the College in response to widespread concerns about the provision of acute inpatient psychiatric beds and alternatives to admission available for patients.

The Commission is independent of RCPsych and is being chaired by Lord Nigel Crisp, former Chief Executive of the NHS in England and Permanent Secretary of the UK Department of Health between 2000 and 2006. It has been asked to review the situation, examine the causes of these pressures and make recommendations for improvement.

The Commission's remit covers England and Northern Ireland and it will seek to identify and respond to similarities and differences between, and within, these administrations.

Scotland is excluded from the Commission scope as it is undertaking its own programme of work to review psychiatric beds and the decision was taken in May 2015 that organisations from Wales would no longer participate in the Commission.

The Commission published a report of its interim findings for England in July 2015.

The Commission's final report *Old Problems, New Solutions* was published in February 2016.

The report clearly lays out exactly what is required to address the problems in accessing acute inpatient care for adults, with twelve recommendations that will help to close the gap that currently exists between access to acute mental and physical healthcare provision. The recommendations include:

- The introduction by October 2017 of a maximum waiting time of four hours for admission to an acute psychiatric ward for adults or acceptance for home based treatment following assessment.
- Phasing out nationally the practice of sending acutely ill patients long distances for non-specialist treatment by October 2017.
- More investment in home-based treatment, information systems and staff.
- That patients and carers are enabled to play an even greater role in their own care as well as in service design, provision, monitoring and governance.
- The piloting of a Patients and Carers Race Equality Standard in mental health alongside other efforts to improve the experience of care for people from Black and Minority Ethnic communities.

- Better access to a mix of types of housing – and greater flexibility in its use – to provide for short-term use in crises, reduce delayed discharges from inpatient services, and to offer long-term accommodation.
- That service providers, commissioners and Health and Wellbeing Boards work together to improve the way the mental health system works locally – sharing information, simplifying structures where appropriate, and finding innovative ways to share resources and deliver services.

#### Media activities

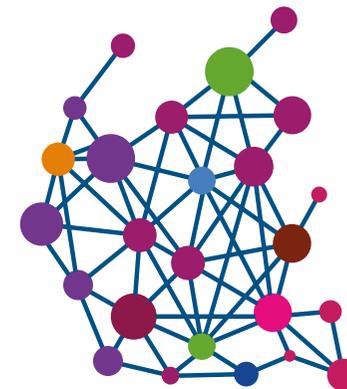
Working with our expert media spokespersons, we have provided comment on numerous other mental health topics to the national media – in print, online, on radio, via the internet and on television, and have played an important role in the development and delivery of reports and guidelines which will shape the future of mental health care.

Providing a round-the-clock service, the Communications Department has worked closely with its peers at the Department of Health, NHS England and the other Medical Royal Colleges. We have worked collaboratively to disseminate information and College responses to the press, our members and the public on important issues affecting mental health provision, such as the proposed junior doctors' contract, the Government's spending review and the Southern Health Trust report.

Just one example of a fundamental concern highlighted by the College is the 'national scandal' that some Clinical Commissioning Groups (CCGs) spend as little as £2 per child on mental health services.

The RCPsych policy team extrapolated data from the newly published NHS Dashboard, determining the amount of spend allocated to mental health services for children and adolescents across England. Some areas were shown to spend as little as £2 per head for the entire financial year.

The communications team secured national and regional coverage of the data across England. This not only attracted the attention of CCGs, but also of local MPs and of NHS England. The latter has subsequently admitted to mistakes being recorded in the dashboard, and has released new guidelines to encourage transparency in the future.

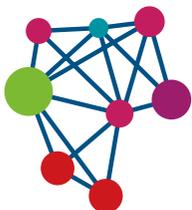


## Parity of esteem

Achieving parity of esteem has been a key objective for the College for some years and is likely to remain a priority for years to come; it is integral to the College's Strategy.

“It is estimated that one in four people in the UK are affected by mental health problems. Despite this, the quality of mental health services and the resources available to them, continues to lag behind physical health. Mental health problems account for 23% of the total impact of ill health in the UK. However, only 13% of the NHS budget is allocated to mental health.”

Parity in Progress, APPG on Mental Health, March 2015



In April 2013 the College published a report 'Whole person care: From Rhetoric to Reality' which defined parity of esteem as meaning that, when compared with physical healthcare, mental healthcare has:

- equal access to the most effective and safest care and treatment
- equal efforts to improve the quality of care
- the allocation of time, effort and resources on a basis commensurate with need
- equal status within healthcare education and practice
- equally high aspirations for service users; and
- equal status in the measurement of health outcomes\*

## Working with young people

### Christmas debate

The Public Engagement Committee (PEC), and its sub-committee the Child and Family Public Engagement Board (CAFPEB), include children and young people as one of its key audiences. CAFPEB has recently recruited a number of young people who are either a service user or carer for parents with mental ill health, to ensure its activities are informed by the lived experience of children and young people.

The Christmas Debate for Young People 2016 was held on Thursday 15 December 2016 at the College's London headquarters, with

two rounds being held in the morning and afternoon. Each debate hosted 300 young people aged between 14 and 18 years of age. The motion for the debate was "This house believes that school is bad for your mental health". This motion allowed a balanced debate, addressing such issues as exam stress, bullying, self-harm, socialisation, social support, friendships, community, and learning to cope.

RCPsych in Wales also held a Christmas Debate for Young People in Cardiff in December 2016 repeating PEC'S motion from 2015 'This house believes that we are too concerned with how we look.' RCPsych in Wales also organised a mental health awareness event for Primary School age children. The feedback from schools following these events was universally positive.

## Working with patients, service users, carers and their organisations

Patients and Carers have formed an integral part of the College since 1988 and the College takes pride in the long history of their involvement. The Service Users' Forum and the Carers' Forum (the working titles attributed to the two groups constituting the Patients and Carers Committee) act as a channel of communication between the College and psychiatric patients and carers; and ensures that the College is informed of the views of patients and carers and that patients' and carers' organisations are kept informed of College policy.

\* Royal College of Psychiatrists *Whole Person Care: From Rhetoric to Reality*. Occasional paper 88, (Royal College of Psychiatrists, 2013)

Patients and Carers have continued to provide a vital input:

- On various College committees, working groups and projects
- By participating with Members and College staff in developing policy documents and maintaining the College's mental health information resources
- By formulating reports to facilitate tasks within the College's operational plan
- By servicing meetings that also provided a platform for important information sharing and relevant feedback
- Reflecting and revising: The Fora has reviewed and implemented policies and procedures specific to the Fora, with a view to enhance engagement and to profile the Fora.

### Public information

We publish several hundred [public information leaflets](#) on topics from adolescence and how to survive it, gambling, depression, tiredness to worries about weight and eating, in 25 languages from Arabic to Welsh, including British Sign Language.

We have retained, for all our mental health information leaflets, our certified membership of the Information Standard which covers health and social care information.

All our public information leaflets, and translations, are available from the College website as follows:

- Problems and Disorders – Information on Bipolar disorder, Depression, Schizophrenia and more.
- Parents and Youth Info – provides information for young people, parents, teachers and carers about mental health.
- Treatments and Wellbeing – Information on Cognitive Behavioural Therapy, complementary and alternative medicines, exercise and mental health.
- Find out how the Mental Health Services work – including information on mental capacity and the law, being sectioned and what to expect with psychiatrists.
- Translations – Translations are available in many languages; including translations in British Sign Language (BSL).
- Podcasts – Listen to people talking about their experiences of living with depression, bipolar and many other psychiatric and mental health problems.

### Publications

The College is committed to high scientific quality as well as public education and engagement. We publish a wide range of [journals and books](#):

- The British Journal of Psychiatry
- BJPsych Open
- BJPsych Advances
- BJPsych Bulletin
- BJPsych International
- Evidence-Based Mental Health

### Books, reports and leaflets

The College continues to publish a very broad range of books, reports and leaflets both for people working in mental health care and for more general readership.

New titles published include:

- A Clinician's Brief Guide to Children's Mental Health Law
- Management for Psychiatrists
- A Clinicians Brief Guide to the Mental Health Act
- Mental Health, Human Rights and the Law
- The Drug Conversation: How to talk to your child about drugs

### Publications review

We are reviewing our publications activities, with the help of external contractors appointed after a tendering process. Detailed analysis has been undertaken and a range of options considered. The Board of Trustees agreed that the College should adopt the following scenarios recommended by Council:

- Journals – outsource but retain editorial function in-house
- Books – outsource to a publishing partner.

A tendering process, led by the Editor, Treasurer, the Director of Finance & Operations, and the external contractor, has been undertaken and an outcome is expected during 2017.

## College Reports

College reports have been formally approved by a meeting of the Policy and Public Affairs Committee of the Royal College of Psychiatrists, and constitute official College policy until revised or withdrawn.

[Rethinking risk to others in mental health services](#)

CR201 Aug 2016

[Psychiatric services for young people with intellectual disabilities](#)

CR200 Aug 2016

## Position Statements

Position statements are approved by the College's Policy and Public Affairs Committee and are concise statements of College policy.

[Definition of torture in the context of immigration detention policy](#)

PS07/2016 Dec 2016

[Guidance for office accommodation and administrative support for consultant posts](#)

PS06/2016 Nov 2016

[Counter-terrorism and psychiatry](#)

PS04/2016 Sep 2016

[Responding to large-scale traumatic events and acts of terrorism](#)

PS03/2016 Aug 2016

[Defining a health-based place of safety \(S136\) and crisis assessment sites for young people under 18](#)

PS02/2016 Aug 2016

Most College Reports and Position Statements are available as free downloads from the College web site [www.rcpsych.ac.uk](http://www.rcpsych.ac.uk).

## Continuing Professional Development (CPD) Online

CPD Online is an interactive e-learning website, from the Publications and eLearning department of the Royal College of Psychiatrists, which provides learning modules using a range of multimedia techniques. Learning modules are all peer-reviewed and provide a dynamic and rich information source to improve members' knowledge, help them to acquire new skills quickly, and enable them to keep up to date with new research and best practice in psychiatry.

## College policy: an A-Z of public statements

In 2015 the College launched a website index of public statements made by the College relating to health, social care, and other areas of policy i.e. *What does the College think?* and contained within:

- College Reports
- Position Statements

- Press Statements
- Selected Consultation Responses
- Selected Faculty Reports
- Selected Occasional Papers.

## Acknowledging excellence

### Honours awarded

The continuing dedication and excellence shown by people working to improve mental health was recognised this year by a number of awards.

### New Year Honours

#### Damehoods

- Prof Hilary Margaret Wykes (Til Wykes), Vice-dean of psychology and systems sciences and Professor of clinical psychology and rehabilitation, King's College London – for services to clinical psychology
- Prof Lesley Jean Fallowfield, Director, Sussex Health Outcomes Research and Education in Cancer, University of Sussex – for services to psycho-oncology

#### CBEs for services to mental health

- Paul Farmer, Chief executive, Mind
- Dr Geraldine Mary Strathdee, OBE, National clinical director for mental health, NHS England

### **RCPsych awards**

The winners of this year's Royal College of Psychiatrists' Awards were announced in November last year. The college hosted the ceremony – now in its eighth year – at its own home in Prescot Street, London.

The RCPsych Awards recognise and reward the most talented teams and individuals working in psychiatry and mental health. There are 17 award categories, including for psychiatrists of all grades, as well as for medical students, foundation doctors, psychiatrists working as volunteers, and five awards to recognise the work being done by teams working in mental health care. Each year the number of entries increases, and the judges were hugely impressed with their quality.



# TRUSTEES RESPONSIBILITY STATEMENT

## Trustees' responsibilities statement in relation to the accounts

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published on 16 July 2014.

Membership of Board of Trustees normally constitute Trustees of the College for the purposes of charity legislation and have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the College and to prevent and detect fraud and other irregularities. They also have a general statutory responsibility to prepare annual accounts.

Under the terms of the constitution of the College's Supplemental Charter and Bye-Laws, the Treasurer is required to present accounts of the College for each financial year. Such accounts are prepared to give a true and fair view of the state of affairs of the College as at the financial year end and of the incoming resources and application of resources for the financial year. In preparing the attached accounts the Treasurer is required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) the Charities' SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Treasurer also has responsibility for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the College and enable members of Board of Trustees to ensure that the accounts comply with the provisions of the Supplemental Charter and Bye-Laws, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006.

Members of Board of Trustees confirm that so far as they are aware, there is no relevant audit information of which the College's auditors are unaware. They have taken all the steps that they ought to have taken as members of the

Board of Trustees in order to make themselves aware of any relevant audit information and to establish that the College's auditors are aware of that information.

# TREASURER'S REPORT AND FINANCIAL REVIEW

It is with great pleasure that I present my first Annual Report as Honorary Treasurer of the Royal College of Psychiatrists for the financial year ending 31 December 2016. Whilst the financial climate remains challenging, over the past 12 months the College has again shown a resilient financial performance. Our efficiency, transparency and accountability are all improving. Looking ahead, we need to build up our reserves and develop new income streams in order to provide more resilience and less dependence on membership income and the NHS.

## **Increasing value for money and accountability to College members**

The College continues to recognise that members face major financial challenges and this is a major consideration when setting fees. The annual membership fee for 2017 has been held at the same rate as the previous year. The registration fees for the International Congress were frozen for 2016 and also for 2017 and we were rewarded by high registration numbers of over 3,000 delegates in 2016.

Across the College, we are continuing to take action to reduce costs, focus activities on those of highest priority, deliver better value to members, and develop additional income sources. A new financial model, more transparent and consistent in allocating overheads across the College, was introduced on 1 January 2016. It aids decision making and improves accountability to College members.

## **2016 financial overview**

The College's income amounted to £20,942k (2015: £18,954k) with expenditure totalling £18,922k (2015: £17,675k).

We concluded the year with a surplus of £3,183k (2015: £1,149k) after gain on investments of £1,163k (2015: loss £138k) and nil gain on heritage assets (2015: gain £8k) were included. Of the surplus, £1,081k related to funds received in 2016 for activities the College is committed to carry out in 2017 and 2018.

## **21 Prescott Street**

After taking professional advice to pursue a dilapidations claim against the former tenants of 21 Prescott Street, the College reached a settlement for the sum of £725k which is included in the income for the year. The College trustees have agreed to designate the money to the Repairs provision fund.

## **Replacement of the College membership database**

As part of the College's ongoing investment in technology to improve efficiency and effectiveness, it has replaced its ageing membership, exams and events database with IntegraNG; a membership, exams and events management solution from Advanced NFP (the supplier). During 2016 IntegraNG became the College's centralised data platform to manage all membership services, including examinations, continuing professional

development (CPD), marketing, events and training.

## **Bequests**

No bequests have been received in 2016 (2015: Dr Donald Dean estate bequeathed £400k towards a research fellowship, Margery Helen Taylor £81k and Miss Patricia Webb £51k).

Legacies left to the College enable us to fund additional projects, so we are always most grateful to receive these bequests.

## **Fundraising**

The Development Office, responsible for fundraising, has been seeking to attract more donations and legacies and several initiatives have been instigated during 2016. These include a further cohort of Pathfinder Fellowships for medical students interested in a career in psychiatry and also the establishment of a Research Fellowship Fund which will support research Fellowships in specific academic topics. The College is grateful to The Welton Foundation and Shoshana Fuss for their continued generosity.

The Values Based CAMHS Commission was established during 2015. Using a values based approach the commission explored the different expectations of the various constituents of the CAMHS system, sought examples of how providers and commissioners meaningfully involve all constituents, and developed

training and commissioning guides to promote values based practice and commissioning in the CAMHS system. Very generous two year funding was received from The Dinwoodie Trust in 2015/2016 to support the running of the commission and to enable a research fellow to be appointed and to fund a youth researcher.

During 2016 a major funding grant, over two years, was secured from Gatsby Foundation & Wellcome Trust towards building, piloting, evaluating and integrating a modern neuroscience perspective into the psychiatry curriculum.

The funding for the second edition of Where There is No Psychiatrist was initiated. This edition will be open access and therefore most useful in those many countries where there are far too few mental health professionals. We expect this project to be fully funded in early 2017.

The Development Office was pleased to secure full funding to enable the College to present at International Congress in 2016 the exhibition – The Sick and Disabled under National Socialism during 1939–45. This was launched at the International Congress and opened by His Excellency the German Ambassador.

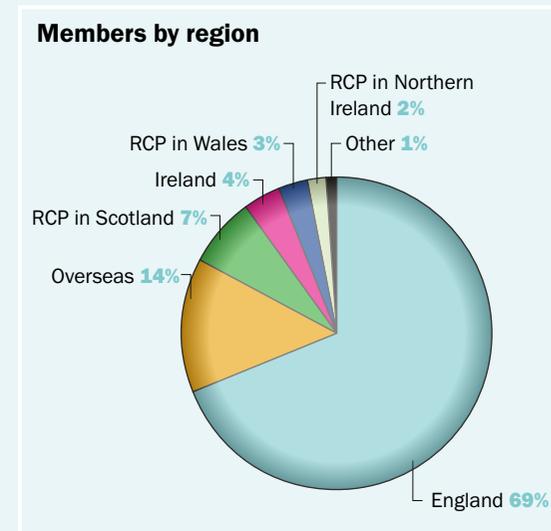
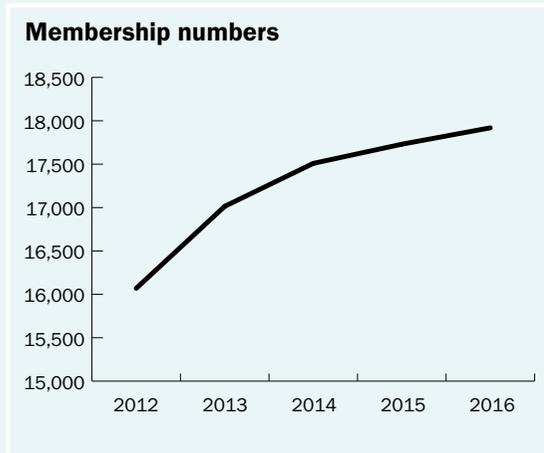
**Internal audit to seek improvements**

During the year the firm of internal auditors, Crowe Clark Whitehill LLP, undertook audits of Expenses, Petty Cash and the processes

in the Professional Standards department. All recommendations have been or are being implemented.

**Growth in membership of the College**

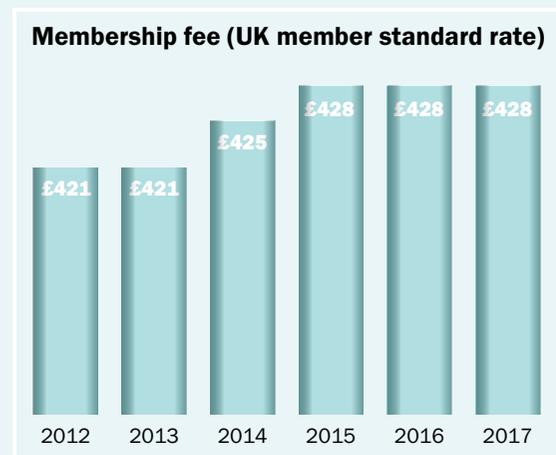
Overall membership of the College has grown at a rate of 1% (2015: 1%) increasing to 17,919 (2015: 17,730). The total number of members includes 2,468 (2015: 2,382) from overseas, across grades.



## Income

Currently the College is very dependent upon two main sources for income in relation to its various activities, membership fees and the NHS. It is important that alternative income streams are established in order to spread risk and improve the College's financial resilience in an ever-changing financial environment.

Income from membership subscriptions of £5,721k (2015: £5,650k) has increased by £71k (2015: £111k) due to the growth in membership numbers.



Total income generated from Examinations was £1,979k (2015: £1,900k). The net surplus from examinations (after contribution to the overheads) was £242k, which is 12% of income generated from Examinations. As the examinations surplus in the year represented

more than 10% of examinations income by £44k, this sum has been transferred to the Trainee Fund. The College has a policy of not seeking to make surpluses from examinations. Where surpluses do arise as a result of good cost control or higher than expected candidate entries, any in excess of 10% of income is transferred to the Trainee Fund and used on projects benefitting the trainees.

The National Collaborating Centre on Mental Health (NCCMH) was unsuccessful in its bid to continue developing National Institute for Health and Clinical Excellence (NICE) guidelines. This contract therefore ended in March 2016. In 2015 NHS England via NICE commissioned NCCMH to take responsibility for the preparation of standards for access and waiting times throughout mental health. The funding for this project has been extended to 31 March 2019.

Total funds received by NCCMH during 2016 amounted to £1,903k (2015: £2,319k). £1,366k was received from NHS England towards the Access & Waiting Times project. A further £300k was received from NHS East England to develop and make recommendations for safe, effective and compassionate (SEC) staffing. Overall NCCMH has generated a net deficit of £150k (2015: surplus £547k) after contribution to College overheads. This deficit is as a result of grant funds received in prior year for work to be undertaken in the following financial year.

Professional Standards department secured £1,685k funding from NHS England, which engaged the College to manage the 'Building Capacity in Perinatal Mental Health' services project. The aim is that by 2020 women in all areas of England should be able to access evidence based specialist support in the community through inpatient Mother and Baby Units closer to home when they need it. £880k was received during 2016, of which £805k is to be spent in 2017.

Faculties, Divisions and Special Interest Groups (FDSIGs) have continued to contribute to income generation. The total income generated was £1,270k (2015: £1,212k). Though most FDSIGs contribute to income generation, Faculty and Division conferences continue to receive significant (in many cases the major) financial support from membership fees and other general funds.

The Centre for Advanced Learning and Conferences (CALC) generated a gross surplus of £295k from training & conferences, exceeding the budget set for 2016 by £29k (2015: £196k). Initiatives are in place to take advantage of the excellent opportunities for CALC to develop academic and training events in line with the College's charitable aims. The cost incurred by CALC in supporting Faculties and Special Interest Groups' conferences and events amounted to £258k (2015: £249k) after contributing to College overheads.

The International Congress in London performed exceptionally well, with a record number of delegates (3,038 compared with 2,433 delegates in 2015) and generated a net surplus of £245k (2015: £45k), after contributing to College overheads. The College continued to provide increased benefit to members through competitively priced registration fees, including a discounted “early bird” registration option and bursaries for trainees and students.

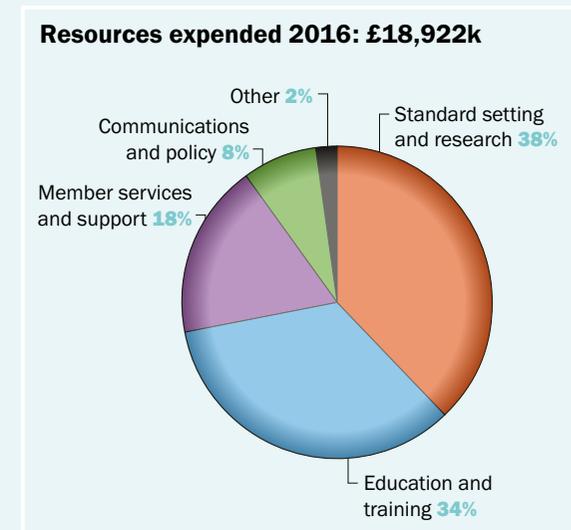
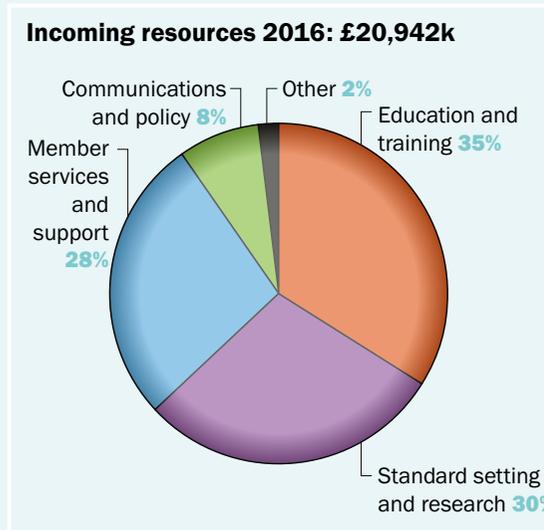
CALC overall generated a net surplus of £24k (2015: deficit £276k) after contributing to College overheads.

The College Centre for Quality Improvement (CCQI) aims to raise the standard of care that people with mental health needs receive by helping providers, users and commissioners of services assess and increase the quality of care they provide. In 2016 all existing accreditation and quality networks expanded their membership and new accreditation schemes and quality networks were established for early intervention in psychosis teams and community based eating disorder services. This brings the total number of accreditation schemes and quality networks to 23 – more than any other professional body (2015: 21). CCQI continued to support the Achieving Better Access work by assessing mental health services against the Evidence Based Treatment Pathways. In addition, NHS England offered continued funding for the National Enabling Environments

in Prisons Project. CCQI has generated a net surplus after College overheads of £78k (2015: £201k). As always, some of this is the result of grant funds being received during the year for work to be undertaken in future years so the financial reports for future years will reflect the expenditure of these funds.

**Expenditure**

The major expenditure was staff costs which amounted to £9,322k (2015: £8,711k). The average number of staff was 223 (2015: 208). As a result of the organisation structure review carried out in 2015 the average number of staff within Strategic Communications have increased by 4 and Professional Standards by 1. Due to increase in activities the average staff numbers within CCQI have increased by 5 and Professional Standards by 2.



### Reserves

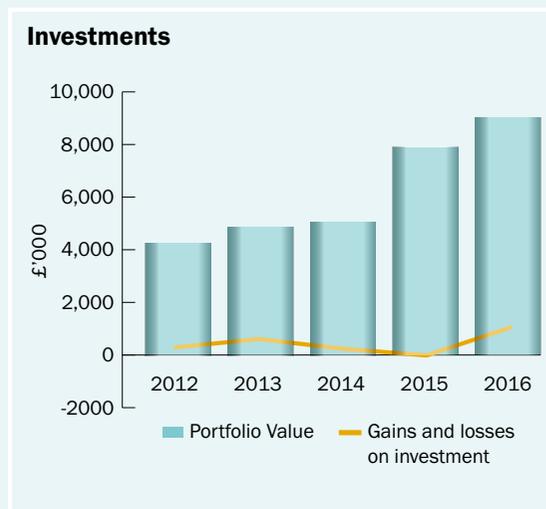
At 31 December 2016, the balance on the General fund (free reserves) was £5,180k (2015: £4,142k). As per our reserves policy on page 27, the College is aiming to hold free reserves equivalent to at least six months operating expenditure (approximately £7,771k (2015: £7,431k)). It is anticipated that this will be achieved within the next ten years.

### Governance

The College Treasurer would like to express his gratitude to the previous treasurer Prof Nick Craddock for all his exemplary work and Mr Malcolm Basing, Prof Keith Loyd, Drs Rafey Faruqui, Lenny Cornwell and Professor Rob Poole for their continued dedicated and insightful contributions as members of the Finance Management Committee. Their contribution is invaluable and the Treasurer is very grateful to them for their wise counsel.

### College investment portfolio

At the end of December 2016 the College's investment portfolio had a value of £9,036k (2015: £7,895). Trustees will keep investments under review to ensure optimal spread of risk and return for the College.



### Treasurer's summary of financial report and review

2016 has been another successful year. College Trustees and staff will continue to work towards controlling spending, enhancing income, striving for better value for money and seeking to ensure that activities and resources are focused on those areas of highest priority. Major tasks for the future are building up our reserves and increasing the College's financial resilience by developing new income streams that reduce dependency on membership income and the NHS.

Finally, I would like to express my gratitude to Vanessa Cameron (former Chief Executive), Paddy Padmanathan (Director of Finance and Operations) and the Finance team, particularly Mehmet Salaheddin (Head of Finance), for their counsel, expertise and dedication to the College.

### Investment policy

The College has a portfolio of investments with a market value at 31 December 2016 of £9,036k (2015: £7,895k).

Management of the College's investments has been delegated, on a discretionary fund management basis, to Barclays Wealth Management Limited and C. Hoare & Co, its investment managers.

Within a broad remit that permits investment in both equities and fixed interest securities, Council operates an ethical investment policy which excludes investment in companies involved in armament manufacture, tobacco, gambling, alcohol and pornography. On 2 December 2011 Council approved a limited investment in pharmaceutical companies not more than 5% of the portfolio value in any one company, and not more than 25% of the portfolio value in the sector.

The overall investment policy is to maximise total return through a diversified portfolio, with a view to ensuring that capital appreciation exceeds inflation over any five year period by 3.5% after charges.

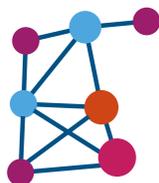
Barclays Wealth investment portfolio at 31 December 2016 has a market value of £4,374k. It has generated a realised gain of £128k, and unrealised gain of £476k. The investment portfolio grew by 19.16% in 2016, as it has benefited from buoyant equity markets, spurred on by improving economic

data and loose monetary policy. This is in spite of the headwind of uncertainty that was a theme throughout, as geopolitical events surprised on an increasingly regular basis. Harking back to the very start of the year, there was significant levels of volatility across emerging markets as concerns surrounding China again rose to the fore. Conditions mostly improved until the middle of the year where the result of the EU referendum ('Brexit'), led to another bout of volatility. In what would become a pattern for the rest of the year, markets digested this news, initially selling-off before rebounding strongly. In 4 days, Barclays Wealth portfolio had regained the initial losses, continuing on with solid upward momentum. This then repeated itself for both the US presidential election, and the Italian referendum (this result was somewhat less of a shock, though the scale of Mr Renzi's loss was unexpected).

Such events and the tumultuous year as a whole, was one where Barclays Wealth's disciplined investment process put the investment portfolio in good stead. Throughout 2016, investment managers regularly challenged the investment thesis, holding it against new information as it arrived. This led to two primary outcomes; in most instances investment managers were comfortable with the investment portfolio holdings and the process gave the confidence in their positioning. Occasionally, they

found opportunity to 'trim the sails' making adjustments to individual holdings and asset allocation to benefit from market movements. This reflected itself in the performance with a rather even split between Stock Selection and Asset Allocation driving an outperformance of 0.46% over benchmark. Moving forward, Barclays Wealth will continue to monitor events closely and stand ready to act should the occasion warrant. 2017 will be another 'interesting' year and Barclays Wealth will approach it with a sense of diligence and discipline. Overall, Barclays Wealth are constructive on the global economy and believe that this will continue to drive markets, though very cognisant of many potential headwinds and will seek to avoid risk wherever we do not feel we are being sufficiently rewarded.

C Hoare & Co. investment portfolio at 31 December 2016 has a market value of £4,662k, generating a realised gain of £187k, and unrealised gain of £372k. The main drivers of C Hoare & Co. performance were currency related, with overseas equities performing particularly strongly when dollar earnings are translated back into sterling. The portfolio has benefited from the exposure to US smaller companies and also from the focus on global earnings within the UK equity segment of the portfolio. The fixed interest investments, inflation linked bonds and alternatives were the main detractors although the vast majority of holdings produced a positive return during the year.



The worst performance of the assets held throughout the period came from the UK 1.5% 2026 gilt which lost 1.19% after a strong 2015. The three top performing holdings in the portfolio were all US equity funds, reflecting the strength of the US dollar and the buoyancy of the US economy. Source US Technology, UBS USA Value ETF and Factor USA Quality ETF are all passive US equity funds and produced returns of 34.88%, 34.79% and 29.82% respectively. The next strongest contributor was the Legg Mason Japan Equity Fund, an actively managed small cap fund with yen exposure. The key driver across the board was currency, with the weakness of sterling enhancing the returns of any assets and earnings denominated in stronger currencies. However it was rewarded for having substantial exposure to passive tracker funds during a year when active managers largely failed to keep pace with the equity indices. Of the top ten performers in the portfolio during 2016, eight were passive ETFs. The portfolio benefited from the overweight position in dollar assets and portfolio investment managers active decision to avoid UK plc.

### **Reserves policy**

Having considered the diverse income streams of the College and their risk profile, the degree of commitment to expenditure in order to meet its charitable obligations, the day to day working capital requirements and the risk environment that the College operates in, the

trustees consider that free reserves (funds that are freely available for the College's general purposes) equivalent to at least six months operating expenditure (approximately £7,771k (2015: £7,431k) should be held in the General fund. At 31 December 2016, the balance on the General fund was £5,180k (2015: £4,142k). Surpluses generated in subsequent years will be used to accrue reserves in line with current policy. It is anticipated that this will be achieved within the next ten years. Reserves will continue to be monitored regularly by the Trustee Board.

The balance sheet shows total reserves of £30,213k (2015: £27,030k). This includes a permanent endowment fund of £262k (2015: £262k). Whilst the income from this fund must be used for specific purposes and therefore is credited to restricted funds, the endowment fund balance itself is 'capital' and must be held indefinitely by the charity. Full details of this fund can be found in note 22 to the accounts.

Included in total reserves is an amount of £2,597k (2015: £1,872k) which is restricted. These monies have either been raised for, and their use restricted to, specific purposes, or they comprise donations subject to donor imposed conditions. Full details of these restricted funds can be found in note 23 to the accounts together with an analysis of movements in the year.

Funds totalling £22,174k (2015: £20,754k) have been designated, or set aside, by the trustees for specific purposes. These purposes and an analysis of the movements on the funds are set out in note 26 to the accounts.

The fixed asset fund represents the net book value of the College's intangible fixed assets, tangible fixed assets and heritage assets £18,029k (2015: £18,026k).

The Trainee fund was established in 2012 and represents amounts set aside from the excess of examination surplus to be spent towards trainees. During 2016 £192k (2015: £203k) had been transferred into the general fund to provide for the development of an eLearning package aimed specifically for trainees. The funding for the development of the eLearning package had been drawn to an end as at 31 December 2016. In 2016 the access above the agreed threshold was £44k (2015: £nil). The Trustees are yet to agree how the remaining funds are to be spent towards trainees.

Also included within designated funds is the Repairs provision for the purpose of financing exceptional repairs and maintenance of the College buildings. In 2016, £825k had been transferred into this fund (2015: £232k). In future, the College aims to designate in excess of £100k each year. The objective of the fund is to set aside approximately £2m by 2023 for major repairs and maintenance to the College's headquarters including the roof, lift and air conditioning system.

### Risk Management

The trustees assess biannually the major risks to which the College is exposed, in particular those relating to the specific operational areas of the College, its investments and its finances. The Board of Trustees believes that by monitoring reserve levels, by ensuring controls exist over key financial systems and by examining the operational and business risks faced by the College, they have established effective systems to mitigate those risks. In the Board of Trustees meeting held on 28 October 2016 the members of the Board of Trustees were satisfied that systems and internal controls are in place to manage exposure to major risks.

The principal categories of risk which the College monitored and sought to mitigate in 2016 are:

#### Governance risks

- Lack of direction, strategy and planning
- Ultra vires act; Misapplication of restricted funds

#### Operational risk

- A “scandal” in a service the College has appraised
- CCQI accreditation networks fail to meet an essential criterion of a national agency such as HQIP, CQC, UKAS or Accreditation Alliance
- Conditions imposed by restricted activities not delivered within timescale leading to loss of contract; reputational damage

- Major failure of IT system(s), both hardware and software

#### Financial risk

- Dependency on income sources and/or key suppliers
- Inadequate free and/or liquid reserves

#### Environmental or external factors

- Cuts in NHS funding affect ability/willingness of services to participate/subscribe
- Litigation (e.g. staff, exams, candidates etc.)

#### Pay and remuneration of the charity's key management personnel

The trustees consider the board of trustees and the chief executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses are disclosed in note 11 to the accounts.

The pay of the chief executive is reviewed annually by the Trustees and normally increased in accordance with average earnings. Every two years from 2012, the Hay Group is commissioned to carry out a benchmarking of the College's salaries, where roles across all grades are compared to sector specific salary trends across key industries.

### Plans for the future

The newly appointed Chief Executive, Paul Rees, is working on measures to enhance the College's impact. The College's strategic objectives and operational plan will be revisited.

The changes will fall into three categories and involve enhancing the key areas highlighted below.

#### 1. Engagement with members to boost membership experience

This will include the:

- Production of an accessible pocket-sized business plan guide for 2017
- Production of an easily accessible member magazine on a one year trial basis, provided it is clear that its purpose is membership engagement and quite distinct from the College's academic publications

#### 2. Communication with stakeholders to boost RCPsych influence

The College will create a new full-time research post. The post-holder would increase potential storylines for us to place with the national media and raise awareness with politicians across the UK on:

- The lack of resources for psychiatry in each UK nation
- The paucity of the psychiatric workforce in each UK nation
- The impact of the lack of the appropriate

level of resources on service users in each UK nation

- A proposed target figure for increased spending on psychiatry in each UK nation
- A proposed target figure for an expanded psychiatric workforce in each UK nation.

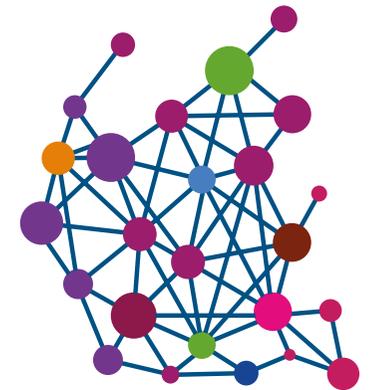
An additional benefit of investing in research would be that it would assist the RCPsych to be seen as 'the voice of psychiatry'.

### 3. Engagement with staff to boost morale and productivity

To improve morale, engagement and understanding of what is going on across the College and how to access information to enable members of staff to do their jobs.

We propose to:

- Introduce a regular CEO briefing to all staff
- Enhance engagement with Staff Consultative Committee
- Run an annual anonymous staff survey
- Introduce a monthly learning session for staff called 'Lunch and Learn'
- Transform the staff intranet site



# STRUCTURE, GOVERNANCE AND MANAGEMENT

## The Board of Trustees

The College's Board of Trustees is the principal governance body within the College. The remit of the Board of Trustees is set out in Section XVIII of the Bye-Laws. The Board of Trustees has full management and control of the College (including its property and affairs) and of the administration thereof (other than those affairs which are designated as the responsibility of the Council under the Charter or the Bye-Laws).

Amongst the tasks of the Board are:

- All matters relating to governance, including good corporate governance, use of resources, Privileges of Membership (on Council recommendation), disciplinary issues and complaints
- The constitution of Faculties (on Council recommendation)
- The Board may make, amend, or rescind Regulations (but not those which other committees may deal with)
- Other powers as set out in Regulations, including the appointment of Officers (apart from Honorary Officers) and salaried staff

The Board may delegate responsibility to its committees and/or the Chief Executive (or other senior member of staff). Any resolutions by those committees must be endorsed by the Board.

The committees of the Board of Trustees are:

- Finance Management
- Disciplinary and Complaints

The membership of the Board of Trustees is:

- President (ex officio), Chair
- Registrar (ex officio)
- Dean (ex officio)
- Treasurer (ex officio)
- One Division Chair (ex officio – selected by Division Chairs from all UK/Ireland Division Chairs)
- One UK/Ireland Faculty Chair\*\* (ex officio – selected by Faculty Chairs from all UK/Ireland Faculty Chairs)
- One College Member (elected by full College membership)
- Three Lay Trustees (appointed)

The relevant qualifications and expertise for the Lay Trustees include, but are not limited to, the fields of finance, business management, mental health strategy and development, work with patients and carers, charity law and organisation. Potential Lay Trustees are sought by advertisement and are interviewed and appointed by a panel that comprises (one or more of): the President, Registrar, Dean and Treasurer.

The Board meets four times a year, usually two weeks after a meeting of Council. Trustees are required to attend an annual training day, where their responsibilities are explained, and they receive a copy of the College's Constitution and Strategic Plan, policies and procedures, and a job description.

Board members are required to declare competing interests, in writing, annually; these are kept on record and are available from the Chief Executive upon written request.

## Council

The remit of Council (set out in Section XIX of the Bye-Laws) is:

- To elect persons to Fellowship and Membership
- Education, policy, professional practice, professional standards, public engagement, quality, research, training in psychiatry
- Considering/approving Pre-Membership Psychiatric Trainees (PMPT), Affiliate, Mental Health Associate, Specialist Associate, International Associate membership applications
- To make recommendations to the Board of Trustees for new Faculties
- To make recommendations to the Board of Trustees about the nature, scope and extent of privileges of Membership, including changes

\*\* As part of the changes to the College structure in 2014, existing Sections have now all been re-constituted as Faculties. No further Sections will be created.

- Making/changing/rescinding Regulations about the Examinations. (The Council has no power to make other Regulations but may make recommendations to the Board of Trustees.)

The membership of Council is:

- President (ex officio), Chair
- Registrar (ex officio)
- Dean (ex officio)
- Treasurer (ex officio)
- All UK/Ireland Division Chairs
- All UK/Ireland Faculty Chairs
- Four elected members
- All Council Committee Chairs
- One Patient representative
- One Carer representative
- Up to five Co-opted members

Members of Council who were in office at 31 December 2016 and who served throughout the year can be found in the 'About Us' appendix.

The Council is supported by Committees, Faculties and Divisions, details of which can be found in the 'About Us' appendix.

## Board of Trustees

### President

Professor Sir S Wessely

### President Elect

Dr W Burn (from 28/6/17)

### Treasurer

Professor N Craddock  
(to 28/6/16)

Dr J Falkowski (from 28/6/16)

### Dean

Dr W Burn (to 28/6/16)

Dr Lovett (from 28/6/16)

### Registrar

Dr A J B James

### Elected members

Dr S Bhandari

Dr P A Hindley

Dr G M J Adshead

### Lay Trustees

Mr M Basing

Mr N Jones

Ms R Thompson (to 9/7/16)

Ms A Bharucha (from 28/10/16)

### Principal registered office

21 Prescott Street  
London E1 8BB

Telephone 020 7235 2351

Facsimile 020 3701 2761

Website [www.rcpsych.ac.uk](http://www.rcpsych.ac.uk)

Charity Commission  
for England and Wales  
Registration number 228636

Office of the Scottish Charity  
Regulator Registration number  
SC038369

### Statutory Auditor

RSM UK Audit LLP  
25 Farringdon Street  
London EC4A 4AB

### Internal Auditor

Crowe Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

### Principal bankers

Barclays Bank plc  
1 Churchill Place  
London E14 5HP

### Solicitors

Payne Hicks Beach  
10 New Square  
Lincoln's Inn  
London WC2A 3QG

### Investment managers

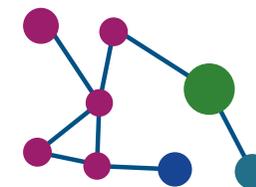
Barclays Wealth Management  
Limited  
1 Churchill Place  
London E14 5HP

C. Hoare & Co  
37 Fleet Street  
London EC4P 4DQ

Signed on behalf of the Board of Trustees

Chair of Trustee Board

Approved by the Board of Trustees on: 28 April 2017



# INDEPENDENT AUDITOR'S REPORT

## Opinion on financial statements

We have audited the financial statements of The Royal College of Psychiatrists for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of its 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 and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the Trustees' Report is not consistent with the financial statements; or
- proper and sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require

us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP  
Statutory Auditor  
25 Farringdon Street  
London  
EC4A 4AB

Date:

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# FINANCIAL STATEMENTS

## Statement of financial activities for the year ended 31 December 2016

|   | Notes<br>(pages 43-65) | Unrestricted Funds<br>£'000 | Restricted Funds<br>£'000 | Endowment Funds<br>£'000 | Total Funds 2016<br>£'000 | Total Funds 2015<br>£'000 |
|---|------------------------|-----------------------------|---------------------------|--------------------------|---------------------------|---------------------------|
| <b>Income and endowments from:</b>              |                        |                             |                           |                          |                           |                           |
| <b>Donations and legacies</b>                   |                        |                             |                           |                          |                           |                           |
| - Donations and gifts                           | 1                      | 3                           | 186                       | -                        | 189                       | 598                       |
| <b>Charitable activities:</b>                   |                        |                             |                           |                          |                           |                           |
| - Standard setting and research                 | 2                      | 3,315                       | 2,878                     | -                        | 6,193                     | 6,032                     |
| - Education and training                        | 3                      | 6,351                       | 1,013                     | -                        | 7,364                     | 5,982                     |
| - Member services and support                   | 4                      | 5,891                       | 25                        | -                        | 5,916                     | 5,855                     |
| - Communications and Policy                     | 5                      | 58                          | -                         | -                        | 58                        | 32                        |
| <b>Investments</b>                              | 1                      | 182                         | -                         | 3                        | 185                       | 140                       |
| <b>Other income</b>                             |                        |                             |                           |                          |                           |                           |
| Rental income                                   |                        | 312                         | -                         | -                        | 312                       | 315                       |
| Dilapidations income                            |                        | 725                         | -                         | -                        | 725                       | -                         |
| <b>Total</b>                                    |                        | 16,837                      | 4,102                     | 3                        | 20,942                    | 18,954                    |
| <b>Expenditure:</b>                             |                        |                             |                           |                          |                           |                           |
| <b>Cost of raising funds</b>                    |                        |                             |                           |                          |                           |                           |
|   | 1                      | 262                         | -                         | -                        | 262                       | 246                       |
| <b>Expenditure on charitable activities:</b>    |                        |                             |                           |                          |                           |                           |
| - Standard setting and research                 | 2                      | 4,118                       | 2,983                     | -                        | 7,101                     | 6,704                     |
| - Education and training                        | 3                      | 6,143                       | 367                       | -                        | 6,510                     | 6,038                     |
| - Member services and support                   | 4                      | 3,483                       | 7                         | -                        | 3,490                     | 3,156                     |
| - Communications and Policy                     | 5                      | 1,536                       | -                         | -                        | 1,536                     | 1,511                     |
| - Prize funds                                   | 22                     | -                           | 23                        | -                        | 23                        | 20                        |
| <b>Total</b>                                    |                        | 15,542                      | 3,380                     | -                        | 18,922                    | 17,675                    |
| <b>Gains/(loss) on investment</b>               | 17                     | 1,163                       | -                         | -                        | 1,163                     | (138)                     |
| <b>Net income</b>                               |                        | 2,458                       | 722                       | 3                        | 3,183                     | 1,141                     |
| <b>Transfer between funds</b>                   | 22                     | -                           | 3                         | (3)                      | -                         | -                         |
| <b>Net income before other recognised gains</b> |                        | 2,458                       | 725                       | -                        | 3,183                     | 1,141                     |
| <b>Other recognised gains</b>                   |                        |                             |                           |                          |                           |                           |
| Gains on heritage assets                        | 15                     | -                           | -                         | -                        | -                         | 8                         |
| <b>Net movement in funds</b>                    |                        | 2,458                       | 725                       | -                        | 3,183                     | 1,149                     |
| <b>Reconciliation of funds</b>                  |                        |                             |                           |                          |                           |                           |
| Total funds brought forward                     |                        | 24,896                      | 1,872                     | 262                      | 27,030                    | 25,881                    |
| <b>Total funds carried forward</b>              |                        | 27,354                      | 2,597                     | 262                      | 30,213                    | 27,030                    |

All of the College's activities above are in respect of continuing operations.

The College has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

**Balance sheet as at 31 December 2016**

|   | Notes<br>(pages 43-65) | 2016<br>£'000 | 2015<br>£'000 |
|---|------------------------|---------------|---------------|
| <b>Fixed assets</b>                                     |                        |               |               |
| Intangible assets                                       | 13                     | 461           | 342           |
| Tangible assets   | 14                     | 17,353        | 17,469        |
| Heritage assets   | 15                     | 215           | 215           |
| Listed investments                                      | 17                     | 9,036         | 7,895         |
|   |                        | <b>27,065</b> | 25,921        |
| <b>Current assets</b>                                   |                        |               |               |
| Stocks  | 18                     | 68            | 63            |
| Debtors   | 19                     | 3,326         | 3,305         |
| Investments   |                        | 2,000         | 1,100         |
| Cash at bank and in hand                                |                        | 3,619         | 1,747         |
|   |                        | <b>9,013</b>  | 6,215         |
| <b>Creditors: amounts falling due within one year</b>   | 20                     | <b>5,279</b>  | 4,606         |
| <b>Net current assets</b>                               |                        | <b>3,734</b>  | 1,609         |
| <b>Total assets less current liabilities</b>            |                        | <b>30,799</b> | 27,530        |
| Creditors: amounts falling due after more than one year | 21                     | 586           | 500           |
| <b>Total net assets</b>                                 |                        | <b>30,213</b> | 27,030        |
| <b>Represented by:</b>                                  |                        |               |               |
| <b>Fund and reserves</b>                                |                        |               |               |
| Endowment fund  | 22                     | 262           | 262           |
| Income funds  |                        |               |               |
| Restricted funds  | 23                     | 2,597         | 1,872         |
| Unrestricted funds                                      |                        |               |               |
| Designated funds  | 25                     | 22,174        | 20,754        |
| General funds   | 25                     | 5,180         | 4,142         |
| <b>Total unrestricted funds</b>                         |                        | <b>27,354</b> | 24,896        |
| <b>Total charity funds</b>                              |                        | <b>30,213</b> | 27,030        |

The financial statements on pages 33 to 65 were approved and authorised for issue on behalf of the Board of Trustees and signed on its behalf by:

Professor Sir Simon Wessely, Chair of the Board of Trustees

Professor Jan Falkowski, Treasurer

Approved on: 28 April 2017

## Statement of cash flows for the year ended 31 December 2016

|  | Notes<br>(pages 35–37) | 2016<br>£'000 | 2015<br>£'000 |
|--|------------------------|---------------|---------------|
| <b>Cash inflow/(outflow) from operating activities</b> | A                      | <b>2,910</b>  | (11)          |
| <b>Cash flows from investing activities</b>            | B                      | <b>180</b>    | 130           |
| <b>Cash flows from financing activities</b>            | B                      | <b>(401)</b>  | (3,041)       |
|  |                        | <b>2,689</b>  | (2,922)       |
| <b>Financing</b>                                       | B                      | <b>(79)</b>   | (72)          |
| <b>Management of liquid resources</b>                  | B                      | <b>(900)</b>  | 900           |
| <b>Increase/(decrease) in cash</b>                     | C                      | <b>1,710</b>  | (2,094)       |
| <b>Increase/(decrease) in cash equivalents</b>         | C                      | <b>928</b>    | (835)         |
|  |                        | <b>2,638</b>  | (2,929)       |
| <b>Cash at 1 January</b>                               |                        | <b>3,283</b>  | 6,212         |
| <b>Cash at 31 December</b>                             |                        | <b>5,921</b>  | 3,283         |

### Notes to the cash flow statement for the year to 31 December 2016.

#### A Cash inflow/(outflow) from operating activities

|  | 2016<br>£'000  | 2015<br>£'000 |
|--|----------------|---------------|
| Net incoming resources                                     | <b>3,183</b>   | 1,141         |
| Depreciation and amortisation charge                       | <b>309</b>     | 315           |
| (Gains)/losses on investment                               | <b>(1,163)</b> | 138           |
| Investment income and bank interest receivable             | <b>(185)</b>   | (140)         |
| Interest payable   | <b>5</b>       | 11            |
| (Increase)/decrease in stocks                              | <b>(5)</b>     | (7)           |
| (Increase)/decrease in debtors                             | <b>(21)</b>    | (1,685)       |
| Increase in creditors (excluding finance leases)           | <b>787</b>     | 216           |
| <b>Net cash inflow/(outflow) from operating activities</b> | <b>2,910</b>   | (11)          |

**B Cash flows from investing and financing activities**

|  | <b>2016</b><br>£'000 | 2015<br>£'000 |
|--|----------------------|---------------|
| <b>Cash flows from investing activities</b>      |                      |               |
| Interest received                                | 24                   | 27            |
| Interest payments                                | (5)                  | (10)          |
| Investment income received                       | 161                  | 113           |
|  | <b>180</b>           | 130           |
| <b>Cash flows from financing activities</b>      |                      |               |
| Payment to acquire intangible fixed assets       | (170)                | (203)         |
| Payment to acquire tangible fixed assets         | (91)                 | (79)          |
| Payment to acquire investments                   | (4,803)              | (5,914)       |
| Receipts from the disposal of investments        | 4,663                | 3,155         |
|  | <b>(401)</b>         | (3,041)       |
| <b>Financing</b>                                 |                      |               |
| Capital element of finance lease rental payments | (79)                 | (72)          |
|  |                      |               |
| <b>Management of liquid resources</b>            |                      |               |
| (Increase)/Decrease in short-term deposits       | <b>(900)</b>         | 900           |

Payment of £91k to acquire tangible fixed assets does not include additions to finance leases.

**C Change in cash and cash equivalents in the year**

|                                  | At 1 January<br>2015<br>£'000 | Cash flows<br>£'000 | Non cash<br>changes<br>£'000 | At 31 December<br>2016<br>£'000 |
|----------------------------------|-------------------------------|---------------------|------------------------------|---------------------------------|
| Cash at bank and in hand         | 1,791                         | 1,861               | -                            | <b>3,652</b>                    |
| Exchange rate loss               | (44)                          | 11                  | -                            | <b>(33)</b>                     |
| Cash held by investment managers | 554                           | (162)               | -                            | <b>392</b>                      |
|                                  | <b>2,301</b>                  | <b>1,710</b>        | <b>-</b>                     | <b>4,011</b>                    |
| Cash on deposit                  | 1,100                         | 900                 | -                            | <b>2,000</b>                    |
| Financing                        | (118)                         | 84                  | (56)                         | <b>(90)</b>                     |
|                                  | <b>982</b>                    | <b>984</b>          | <b>(56)</b>                  | <b>1,910</b>                    |
| Total cash and cash equivalents  | <b>3,283</b>                  | <b>2,694</b>        | <b>(56)</b>                  | <b>5,921</b>                    |

**D Reconciliation of net cash flow to movement in net funds**

|  | £'000 | £'000        |
|--|-------|--------------|
| Increase in cash in the year                   | 1,710 |              |
| Cash outflow from increase in liquid resources | (900) |              |
| Cash to repay finance leases                   | 84    |              |
| Change in net funds resulting from cash flows  |       | <b>2,694</b> |
| Changes in finance leases                      |       | <b>(56)</b>  |
| Net funds at 1 January 2016                    |       | <b>3,283</b> |
| Net funds at 31 December 2016                  |       | <b>5,921</b> |

Interest incurred in the year in relation to all finance leases amounted to £5k (2015: £10k).

Amortisation charge in the year in relation to intangible fixed assets amounted to £51k (2015: £nil).

Depreciation charge in the year in relation to tangible fixed assets amounted to £258k (2015: £315k).

# PRINCIPAL ACCOUNTING POLICIES

## Basis of accounting

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

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

The College meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and of the College's heritage assets.

## Reclassification of intangible fixed assets

As at 31 December 2016 IntegraNG, the College's centralised data platform to manage all membership services, had been reclassified from tangible fixed assets to intangible fixed assets due to the nature of the asset. As at 31 December 2016 the cost of the asset £512k (2015: £342k) has been recognised as an intangible fixed asset. The system went live in November 2016 and a full years amortisation charge of £51k (£2015: £nil) has been charged to intangible assets.

## Going concern

As detailed in the Trustees' responsibilities statement, the accounts are prepared on a going concern basis unless it is inappropriate to presume that the College will continue in operation. The College's Trustees' have approved the College wide budgets for 2017 and conclude that there are no material uncertainties about the College's ability to continue as going concern and the College has adequate resources to continue in operational existence for at least twelve months from the date of signing the financial statements. With respect to the next reporting period, 2016, the most significant areas of uncertainty that effect the carrying value of assets held by the College are the level of investment return and the performance of investment markets (see the investment policy and risk management sections of the Trustees' report for more information).

## Incoming resources

Incoming resources are recognised in the period in which the College is certain of and entitled to receipt and the amount can be measured with reasonable accuracy. Income is deferred only when the College has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as incoming resources from charitable activities when receivable and are deferred where the donor specifies that the grant must be used in a future accounting period.

Legacies are included in the statement of financial activities when the College is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified. Legacies are recognised when it is probable that it will be received and there is an ability to estimate with sufficient accuracy the amount receivable.

## Resources expended and the basis of apportioning costs

Liabilities are recognised and expenditure is included in the statement of financial activities when incurred and when a legal or constructive obligation arises and includes irrecoverable VAT, it is more likely than not that a transfer of economic benefit will be required in settlement

and the amount of the obligation can be measured or estimated reliably.

Resources expended comprise the following:

- The costs of generating funds represents fees paid to investment managers in connection with the management of the College's listed investments as well as staff cost incurred in connection with managing the College's liquid assets and those costs associated to the Development Office.
- The costs of charitable activities comprise expenditure on the defined charitable purposes of the College and include direct staff costs attributable to the activity and an allocation of the general management and overhead costs.
- The basis of overheads allocation is as follows:
  - Governance cost have been allocated on the basis of direct cost,
  - Human Resources costs have been allocated on the basis of headcount,
  - Information Technology have been allocated on basis of the number of computers used by each department,
  - Office services, Facilities and Building costs have been allocated on basis of the square footage,
  - Financial services, Depreciation and Irrecoverable VAT have been allocated on the basis of the direct cost.

### Termination payments

In cases of resignation or dismissal, fixed remuneration (base salary and employer pension contributions) will cease on the last day of employment. In the case of redundancy, redundancy payment will be made in accordance with the statutory pay. Depending on the circumstance the College may waive its right to insist on employees working their notice and instead give a payment in lieu of notice.

### Intangible fixed assets

All intangible assets with an expected useful life exceeding one year are recognised at cost and amortised over the assets useful life.

It is College policy to measure intangible assets using the cost model. The College measures intangible assets at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible fixed assets are amortised by equal instalments over their anticipated useful lives at a rate of 10%. Amortisation are charged to financial services and are allocated as overheads within cost of raising funds, standard setting and research, education and training, membership services and support and to communication and policy.

Intangible fixed assets consist of IntegraNG, the College's centralised data platform to manage all membership services, including examinations, continuing professional development (CPD), marketing, events and training. The Trustees have identified the

expected useful life of the database to be 10 years.

### Tangible fixed assets

All tangible assets in excess of £2,500 and with an expected useful life exceeding one year are capitalised.

Functional land and buildings used for the direct charitable work of the College are shown in the balance sheet at historical cost. The College flat is held on a lease; the net book value is being amortised over the remaining period of the lease. Depreciation on equipment, furniture and fittings is provided at the following annual rates in order to write off each asset on a straight-line basis over its estimated useful life:

|  |  |
|--|--|
| Freehold land and buildings                  | nil on cost                                    |
| Leasehold buildings                          | on cost over the remaining period of the lease |
| Heritage assets                              | nil on market valuation                        |
| Kitchen equipment                            | 20% on cost                                    |
| Furniture and fittings (excluding portraits) | 10% on cost                                    |
| Computers                                    | 33.33% on cost                                 |

Freehold buildings are not depreciated as the College has a policy of maintaining them in such a condition that their value is not impaired by the passage of time. The Board of Trustees is of the opinion that any provision for depreciation is deemed to be immaterial because of the long useful economic life.

Leasehold buildings comprises of the College flat and is depreciated on cost over the remaining period of the lease. The intention of

the College flat is for the use of Trustees and is not considered to be an investment property.

It is College policy to undertake an annual impairment review of tangible fixed assets (including heritage assets) where no depreciation charge is made on the grounds that it is immaterial (such as the Portraits and the collection of antiquarian books), or where depreciation is calculated on a basis that assumes that the useful economic life of an asset is longer than 50 years (such as the College headquarters at 21 Prescott Street and the College flat), to ensure that the carrying amount of the asset is not overstated.

It is College policy to capitalise finance costs incurred in connection with the construction of an asset up until the point at which the related asset comes into use.

The College portraits, held as part of furniture and fittings, are not depreciated as they have a very long useful economic life before they need any major restoration or refit. The remaining economic value of the assets are not materially different from the carrying amount of the portraits, as a result the depreciation charge is immaterial.

The College heritage assets were revalued on 22 January 2016 at market valuation, by Bonhams, specialist valuers and auctioneers in a wide range of antiquarian and rare books. These assets have been recognised in the Balance Sheet at market value. Due to the

nature of the heritage assets they are not depreciated and the College Trustees are of the opinion that any provision for depreciation would not be material and that the heritage assets are worth at least their book value.

### **Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year based on brought forward values.

The College does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the College is that of the volatility in equity markets and investment markets due to wider economic conditions and the attitude of investors to investment risk markets (see the investment policy section of the Trustees' report for more information).

### **Stocks**

Stocks of goods for resale are valued at the lower of cost and net realisable value. Annual review is carried out for any obsolete or slow-moving stock and written off accordingly.

### **Current asset investments**

Current asset investments represents cash on deposit with recognised United Kingdom banks with a maturity of less than one year held for investment purposes rather than to meet short-term cash commitments as they fall due.

### **Cash equivalents**

Cash equivalents represent short-term deposits with recognised United Kingdom banks and which are not repayable within 24 hours without loss of interest or other penalty.

### **Financial instruments**

The College only has financial instruments that qualify as basic financial instruments and therefore has applied the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments.

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provisions of the instrument, and are offset only when the College currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### **Financial assets**

#### **Trade and other debtors**

Trade and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing

transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. The College has no debtors that would constitute a financing transaction.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the Statement of Financial Activities for the excess of the carrying value of the trade debtor. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities

### **Trade investments**

Trade investments are equity investments over which the College has no significant influence, joint control or control and are initially measured at transaction price and subsequently measured at fair value with net gains and losses arising on revaluation and disposal being included in the Statement of Financial Activities.

The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price.

The main form of financial risk faced by the College is that of volatility in equity and investment markets due to wider economic

conditions and the attitude of investors to investment risk. The risk is minimised by ensuring a balanced and diversified investment portfolio handled by professional investment managers with authorised discretionary fund management responsibilities. The performance of College investments is regularly reviewed by the Finance Management Committee.

The College does not acquire put options, derivatives or other complex financial instruments.

### **Financial liabilities**

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

### **Trade creditors and other creditors**

Trade and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled. The College has no creditors that would constitute a financing transaction.

### **Fund accounting**

Endowment funds comprise monies which must be held indefinitely as capital. Income therefrom is credited to general funds and applied for

general purposes, unless under the terms of the endowment such income must be used for specific purposes, in which case it is credited to restricted funds.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor-imposed conditions.

The designated funds are monies set aside out of general funds and designated for specific purposes by the Members of the Board of Trustees. The Board of Trustees has the power to reallocate such funds within unrestricted funds unless and until expended.

The general fund comprises those monies which are freely available for application towards meeting the charitable objectives of the College at the discretion of the Board of Trustees.

### **Operating leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease term.

### **Finance leases**

Rentals applicable to finance leases, where substantially all of the benefits and risks of ownership rest on the lessee, are capitalised at the guaranteed minimum lease payments where any interest is not material to the financial statements.

Assets subject to finance leases are depreciated over their terms.

The commitments of the minimum lease payments are recognised as creditors in the balance sheet.

### **Pension costs**

Employees of the College are entitled to join a defined contribution 'money purchase scheme'. Contributions in respect of the College's money purchase schemes are charged to the statement of financial activities in the year in which they are payable to the scheme.

The costs of the money purchase schemes are included within support and governance costs and charged to the unrestricted funds of the College using the methodology set out in the basis of overheads allocation.

The money purchase schemes is managed by Standard Life Assurance Limited and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The College has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

New employees are automatically enrolled into the money purchase schemes unless they have exercised their right to opt out.

### **Accounting estimates and key judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During the year there are no accounting estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# NOTES TO THE ACCOUNTS 31 DECEMBER 2016

## 1 Donations and investment income

|   | Unrestricted<br>£'000 | Restricted<br>£'000 | Endowment<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
|---|-----------------------|---------------------|--------------------|---------------|---------------|
| <b>Incoming resources</b>                     |                       |                     |                    |               |               |
| Dividends                                     | 161                   | -                   | -                  | 161           | 113           |
| Bank interest                                 | 21                    | -                   | 3                  | 24            | 27            |
| Donations and gifts                           | 3                     | 184                 | -                  | 187           | 598           |
| <b>2016</b>                                   | <b>185</b>            | <b>184</b>          | <b>3</b>           | <b>372</b>    |               |
| 2015  | 278                   | 457                 | 3                  |               | 738           |
| <b>Resources expended</b>                     |                       |                     |                    |               |               |
| Cost of generating funds                      |                       |                     |                    |               |               |
| - Staff costs                                 | 120                   | -                   | -                  | 120           | 121           |
| - Sundry expenses                             | 10                    | -                   | -                  | 10            | 12            |
| - Overheads (note 6)                          | 61                    | -                   | -                  | 61            | 66            |
|   | 191                   | -                   | -                  | 191           | 199           |
| Investment management fees                    | 71                    | -                   | -                  | 71            | 47            |
| <b>2016</b>                                   | <b>262</b>            | <b>-</b>            | <b>-</b>           | <b>262</b>    |               |
| 2015  | 246                   | -                   | -                  |               | 246           |
| <b>2016 Net (outgoing)/incoming resources</b> | <b>(77)</b>           | <b>184</b>          | <b>3</b>           | <b>110</b>    |               |
| 2015 Net incoming resources                   | 32                    | 457                 | 3                  |               | 492           |

## 2 Standard setting and research

|   | Unrestricted<br>£'000 | Restricted<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
|---|-----------------------|---------------------|---------------|---------------|
| <b>Incoming resources</b>                       |                       |                     |               |               |
| Specialist registration (Article 14 assessment) | 38                    | -                   | 38            | 34            |
| Grants receivable (note 7)                      | 194                   | 1,111               | 1,305         | 849           |
| Contract income from supply of services*        | -                     | 1,603               | 1,603         | 2,319         |
| Subscription to network review                  | 2,937                 | -                   | 2,937         | 2,742         |
| Miscellaneous income                            | 146                   | 164                 | 310           | 88            |
| <b>2016</b>                                     | <b>3,315</b>          | <b>2,878</b>        | <b>6,193</b>  |               |
| 2015  | 2,887                 | 3,145               |               | 6,032         |
| <b>Resources expended</b>                       |                       |                     |               |               |
| Staff costs                                     | 2,000                 | 1,595               | 3,595         | 3,133         |
| Standard Setting activities                     | 1,074                 | 87                  | 1,161         | 1,175         |
| Research activities                             | 3                     | 868                 | 871           | 885           |
| Overheads (note 6)                              | 1,041                 | 433                 | 1,474         | 1,511         |
| <b>2016</b>                                     | <b>4,118</b>          | <b>2,983</b>        | <b>7,101</b>  |               |
| 2015  | 4,066                 | 2,638               |               | 6,704         |
| <b>2016 Net (outgoing) resources</b>            | <b>(803)</b>          | <b>(105)</b>        | <b>(908)</b>  |               |
| 2015 Net (outgoing)/incoming resources          | (1,179)               | 507                 |               | (672)         |

\* During 2016 funds received from NICE were £1,366k (2015: £1,066k) for the Access and Waiting Times project, £237k (2015: £1,093k) for Guidelines and £nil (2015: £160k) for Dual Diagnosis.

### 3 Education and training

|  | Unrestricted<br>£'000 | Restricted<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
|--|-----------------------|---------------------|---------------|---------------|
| <b>Incoming resources</b>                                  |                       |                     |               |               |
| Examinations   | 1,979                 | -                   | 1,979         | 1,900         |
| Online continuing professional development                 | 237                   | -                   | 237           | 201           |
| Centre for Advanced Learning and Conferences               | 385                   | -                   | 385           | 319           |
| Grants for education and training (note 7)                 | 15                    | 996                 | 1,011         | 102           |
| International Congress                                     | 1,141                 | 17                  | 1,158         | 882           |
| Faculties, divisions and special interest groups' meetings | 1,255                 | -                   | 1,255         | 1,212         |
| Publications and journals                                  | 1,339                 | -                   | 1,339         | 1,366         |
| <b>2016</b>  | <b>6,351</b>          | <b>1,013</b>        | <b>7,364</b>  |               |
| 2015   | 5,880                 | 102                 |               | 5,982         |
| <b>Resources expended</b>                                  |                       |                     |               |               |
| Staff costs  | 1,650                 | 169                 | 1,819         | 1,732         |
| Cost of examinations*                                      | 961                   | -                   | 961           | 882           |
| Online CPD activities                                      | 118                   | -                   | 118           | 112           |
| Cost of meetings and conferences                           | 1,703                 | 14                  | 1,717         | 1,421         |
| Prizes and bursaries                                       | 64                    | 33                  | 97            | 81            |
| Cost of Journals**   | 683                   | -                   | 683           | 689           |
| Sundry expenses  | 143                   | 124                 | 267           | 147           |
| Overheads (note 6)   | 821                   | 27                  | 848           | 974           |
| <b>2016</b>  | <b>6,143</b>          | <b>367</b>          | <b>6,510</b>  |               |
| 2015   | 5,887                 | 151                 |               | 6,038         |
| <b>2016 Net (outgoing) resources</b>                       | <b>208</b>            | <b>646</b>          | <b>854</b>    |               |
| 2015 Net (outgoing) resources                              | (7)                   | (49)                |               | (56)          |

\* Examinations generated a surplus of £242k (2015: £105k) after accounting for operating expenditure and College overheads.

\*\* Publications expensed £536k (2015: £527k) to produce membership journals and £84k (2015: £85k) to produce membership online journals.

#### 4 Members services and support

|   | Unrestricted<br>£'000 | Restricted<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
|---|-----------------------|---------------------|---------------|---------------|
| <b>Incoming resources</b>                                   |                       |                     |               |               |
| Members' and Associates' subscription and registration fees | 5,721                 | -                   | <b>5,721</b>  | 5,650         |
| Grants (note 7)   | -                     | 25                  | <b>25</b>     | -             |
| Miscellaneous income  | 170                   | -                   | <b>170</b>    | 205           |
| <b>2016</b>   | <b>5,891</b>          | 25                  | <b>5,916</b>  |               |
| 2015  | 5,855                 | -                   |               | 5,855         |
| <b>Resources expended</b>                                   |                       |                     |               |               |
| Staff costs   | 1,980                 | -                   | <b>1,980</b>  | 1,731         |
| Collegiate activities                                       | 279                   | 7                   | <b>286</b>    | 148           |
| Membership support  | 166                   | -                   | <b>166</b>    | 121           |
| Faculties, divisions and special interest groups' support   | 174                   | -                   | <b>174</b>    | 206           |
| Sundry expense  | 223                   | -                   | <b>223</b>    | 190           |
| Overheads (note 6)  | 661                   | -                   | <b>661</b>    | 760           |
| <b>2016</b>   | <b>3,483</b>          | 7                   | <b>3,490</b>  |               |
| 2015  | 3,156                 | -                   |               | 3,156         |
| <b>2016 Net incoming resources</b>                          | <b>2,408</b>          | <b>18</b>           | <b>2,426</b>  |               |
| 2015 Net incoming/(outgoing) resources                      | 2,699                 | -                   |               | 2,699         |

## 5 Communications and policy

|   | Unrestricted<br>£'000 | Restricted<br>£'000 | 2016<br>£'000  | 2015<br>£'000 |
|---|-----------------------|---------------------|----------------|---------------|
| <b>Incoming resources</b>               |                       |                     |                |               |
| Sales of public education material      | 31                    | -                   | 31             | 18            |
| Grants (note 7)                         | -                     | -                   | -              | 2             |
| Miscellaneous income                    | 27                    | -                   | 27             | 12            |
| <b>2016</b>                             | <b>58</b>             | -                   | <b>58</b>      |               |
| 2015                                    | 30                    | 2                   |                | 32            |
| <b>Resources expended</b>               |                       |                     |                |               |
| Staff costs                             | 793                   | -                   | 793            | 702           |
| Production of public education material | 51                    | -                   | 51             | 59            |
| College's campaigns                     | 24                    | -                   | 24             | 27            |
| International activities                | 75                    | -                   | 75             | 72            |
| Parliamentary activities                | 29                    | -                   | 29             | 26            |
| Public relations activities             | 49                    | -                   | 49             | 53            |
| Other public education activities       | 237                   | -                   | 237            | 288           |
| Overheads (note 6)                      | 278                   | -                   | 278            | 284           |
| <b>2016</b>                             | <b>1,536</b>          | -                   | <b>1,536</b>   |               |
| 2015                                    | 1,507                 | 4                   |                | 1,511         |
| <b>2016 Net (outgoing) resources</b>    | <b>(1,478)</b>        | -                   | <b>(1,478)</b> |               |
| 2015 Net (outgoing) resources           | (1,477)               | (2)                 |                | (1,479)       |

## 6 Allocation of costs

Administration costs can be broken down as follows:

|                               | Governance<br>£'000 | Information<br>Technology<br>£'000 | Facilities<br>£'000 | Financial Services<br>£'000 | Human<br>Resources<br>£'000 | <b>Total<br/>£'000</b> |
|-------------------------------|---------------------|------------------------------------|---------------------|-----------------------------|-----------------------------|------------------------|
| <b>Activities</b>             |                     |                                    |                     |                             |                             |                        |
| Raising funds                 | 3                   | 13                                 | 22                  | 13                          | 10                          | <b>61</b>              |
| Standard setting and research | 66                  | 326                                | 532                 | 317                         | 233                         | <b>1,474</b>           |
| Education and training        | 38                  | 188                                | 306                 | 182                         | 134                         | <b>848</b>             |
| Members services and support  | 30                  | 146                                | 238                 | 142                         | 105                         | <b>661</b>             |
| Communications and policy     | 12                  | 62                                 | 100                 | 60                          | 44                          | <b>278</b>             |
| <b>2016 Total</b>             | <b>149</b>          | <b>735</b>                         | <b>1,198</b>        | <b>714</b>                  | <b>526</b>                  | <b>3,322</b>           |
| 2015 Total                    | 211                 | 944                                | 1,224               | 805                         | 411                         | 3,595                  |

Governance includes hospitality costs and reimbursement of travel expenses to committee members for attending the Board of Trustees, Finance Management Committee and Council £18k (2015: £25k) and the cost of the statutory audit and internal audit £49k (2015: £46k).

Information Technology include maintenance costs amounted to £127k (2015: £140k).

Facilities include maintenance and operating costs for 21 Prescott Street were £764k (2015: £811k).

Financial services include amortisation charge on intangible assets of £51k (2015: £nil), depreciation charge on tangible assets of £258k (2015: £315k) and irrecoverable VAT £160k (2015: £141k).

Human resources include staff training and development costs £62k (2015: £52k) and staff recognition awards totalling £43k (2015: £41k).

Staff costs for support services amounted to £1,015k (2015: £1,292k) and have been allocated as follows:

|             | Governance<br>£'000 | Information<br>Technology<br>£'000 | Facilities<br>£'000 | Financial Services<br>£'000 | Human<br>Resources<br>£'000 | <b>Total<br/>£'000</b> |
|-------------|---------------------|------------------------------------|---------------------|-----------------------------|-----------------------------|------------------------|
| <b>2016</b> | <b>57</b>           | <b>224</b>                         | <b>285</b>          | <b>229</b>                  | <b>220</b>                  | <b>1,015</b>           |
| 2015        | 113                 | 478                                | 266                 | 278                         | 157                         | 1,292                  |

## 7 Grants receivable

|                                      | Unrestricted<br>£'000 | Restricted<br>£'000 | 2016<br>£'000 | 2015<br>£'000 |
|--------------------------------------|-----------------------|---------------------|---------------|---------------|
| <b>Standard setting and research</b> |                       |                     |               |               |
| - HQIP*                              | -                     | 451                 | 451           | 497           |
| - Health Foundation*                 | -                     | 202                 | 202           | 144           |
| - NHS England*                       | 150                   | 389                 | 539           | 113           |
| - University of Leeds                | -                     | 57                  | 57            | 24            |
| - Health Education England*          | 44                    | -                   | 44            | -             |
| - Department of Health (DoH)*        | -                     | -                   | -             | 38            |
| - Other                              | -                     | 12                  | 12            | 33            |
|                                      | 194                   | 1,111               | 1,305         | 849           |
| <b>Education and training</b>        |                       |                     |               |               |
| - NHS England*                       | -                     | 880                 | 880           | -             |
| - Health Education England*          | 15                    | 63                  | 78            | 62            |
| - Dinwoodie Charitable Company       | -                     | 42                  | 42            | 40            |
| - Other                              | -                     | 11                  | 11            | -             |
|                                      | 15                    | 996                 | 1,011         | 102           |
| <b>Communications and policy</b>     |                       |                     |               |               |
| - Department of Health (DoH)*        | -                     | -                   | -             | 2             |
|                                      | -                     | -                   | -             | 2             |
| <b>Member service and support</b>    |                       |                     |               |               |
| - Dudley and Walsall MH NHS*         | -                     | 25                  | 25            | -             |
|                                      | -                     | 25                  | 25            | -             |
|                                      | 209                   | 2,132               | 2,341         | 953           |

\* Grants receivable from Government bodies.

## 8 Related party transactions

There were no related party transactions in 2016 or in 2015.

## 9 Incoming resources before transfers

This is stated after charging/(crediting):

|   | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | <b>Total<br/>2016<br/>£'000</b> | Total<br>2015<br>£'000 |
|---|--------------------------------|------------------------------|---------------------------------|------------------------|
| Staff costs (note 10)                       | 7,558                          | 1,764                        | <b>9,322</b>                    | 8,711                  |
| Auditor's remuneration                      |                                |                              |                                 |                        |
| - Audit                                     | 20                             | -                            | <b>20</b>                       | 20                     |
| - Audit in respect of transition to FRS 102 | -                              | -                            | <b>-</b>                        | 5                      |
| - Non-audit services                        | 3                              | -                            | <b>3</b>                        | -                      |
| Depreciation and amortisation               | 309                            | -                            | <b>309</b>                      | 315                    |
| Repairs and maintenance                     | 267                            | -                            | <b>267</b>                      | 300                    |
| Operating lease rentals                     | 136                            | -                            | <b>136</b>                      | 157                    |

## 10 Staff remuneration

|  | Unrestricted<br>funds<br>£'000 | Restricted<br>funds<br>£'000 | <b>Total<br/>2016<br/>£'000</b> | Total<br>2015<br>£'000 |
|--|--------------------------------|------------------------------|---------------------------------|------------------------|
| Staff costs during the year were as follows: |                                |                              |                                 |                        |
| Wages and salaries                           | 5,759                          | 1,155                        | <b>6,914</b>                    | 6,547                  |
| Social security costs                        | 634                            | 122                          | <b>756</b>                      | 686                    |
| Pension costs                                | 370                            | 61                           | <b>431</b>                      | 451                    |
|  | <b>6,763</b>                   | <b>1,338</b>                 | <b>8,101</b>                    | <b>7,684</b>           |
| Non-payroll and temporary/agency staff       | 795                            | 426                          | <b>1,221</b>                    | 1,027                  |
|  | <b>7,558</b>                   | <b>1,764</b>                 | <b>9,322</b>                    | <b>8,711</b>           |

Wages and salaries include £172k for accrued holiday pay (2015: £162k).

## 10 Staff remuneration (continued)

The number of employees who earned in excess of £60,000 per annum (including taxable benefits but excluding employer pension contributions) during the year was as follows:

|                   | 2016 | 2015 |
|-------------------|------|------|
| £60,001-£70,000   | 5    | 6    |
| £70,001-£80,000   | 2    | 1    |
| £80,001-£90,000   | 2    | 1    |
| £90,001-£100,000  | 1    | 2    |
| £100,001-£110,000 | 1    | -    |
| £130,001-£140,000 | -    | 1    |
| £150,001-£160,000 | 1    | -    |

Of those employees who earned £60,000 or more during the year (as defined above) employer contributions are made to money purchase schemes in respect of all 12 (2015: 11) employees. During the year this amounted to £56,799 (2015: £71,375).

The average number of employees during the year, regardless of their work pattern is analysed as follows:

|   | 2016       | 2015 |
|---|------------|------|
| In furtherance of the College's charitable activities | 196        | 178  |
| In supporting the College's activities and governance | 27         | 30   |
|   | <b>223</b> | 208  |

The College considers its key management personnel comprise the trustees and the Chief Executive Officer and the Director of Finance and Operations. The total employment benefits including employer pension contributions and National Insurance Contributions of the key management personnel were £365k (2015: £274k).

The College has a non cash employee recognition award programme. The awards are open to individuals and teams, with a major CEO's award being made every year to the most deserving team in the College. A number of awards have been made to recognise the outstanding achievement or contribution of employees. During the year £43k (2015: £41k) had been spent on staff awards and the social club for employees.

During the year 2 employees (2015: 8) had received statutory redundancy payments totalling £3k (2015: £91k). This was fully paid in the year with no amounts outstanding as at 31 December 2016.

In cases of resignation or dismissal, fixed remuneration (base salary and employer pension contributions) will cease on the last day of employment. In the case of redundancy, redundancy payment will be made in accordance with the statutory pay. Depending on the circumstance the College may waive its right to insist on employees working their notice and instead give a payment in lieu of notice.

### **11 Remuneration and reimbursement to College Trustees**

The College has adequate systems in place to manage expenses. Reimbursement of expenses does not form part of the remuneration.

No member of the Board of Trustees received any remuneration in respect of their services as a member of the Board of Trustees during the year (2015: £nil).

None of the trustees (2015: £nil) received remuneration in respect of their services provided as an examiner, editor or other capacities during the year.

Travel expenses reimbursed to 3 (2015: 5) trustees for attendance at Board of Trustees meeting during the year were £252 (2015: £1,063).

Travel expenses reimbursed to 10 (2015: 8) trustees for other duties during the year were £55,483 (2015: £43,565).

No member of the Board of Trustees had any beneficial interest in any contract with the College during the year.

### **12 Taxation**

The College is a registered charity and therefore is exempt from income tax and corporation tax on income arising from its charitable activities. The College is registered for VAT but is not able to recover all VAT suffered on expenditure due to partial exemption rules.

### 13 Intangible fixed assets

|                            | Membership<br>database<br>£'000 | Total<br>£'000 |
|----------------------------|---------------------------------|----------------|
| <b>Cost or valuation</b>   |                                 |                |
| At 1 January 2016          | 342                             | <b>342</b>     |
| Additions                  | 170                             | <b>170</b>     |
| Disposals                  | -                               | -              |
| At 31 December 2016        | <b>512</b>                      | <b>512</b>     |
| <b>Amortisation</b>        |                                 |                |
| At 1 January 2016          | -                               | -              |
|                            | 51                              | <b>51</b>      |
| Charge for Disposals       | -                               | -              |
| At 31 December 2016        | <b>51</b>                       | <b>51</b>      |
| <b>Net book value</b>      |                                 |                |
| <b>At 31 December 2016</b> | <b>461</b>                      | <b>461</b>     |
| At 31 December 2015        | 342                             | 342            |

Intangible fixed asset consist of IntegraNG, the College's centralised data platform to manage all membership services, including examinations, continuing professional development (CPD), marketing, events and training. The Trustees have identified the expected useful life of the database to be 10 years.

## 14 Tangible fixed assets

|                            | Freehold land and<br>buildings<br>Cost<br>£'000 | Leasehold land<br>and buildings<br>Cost<br>£'000 | Equipment,<br>furniture and<br>fittings<br>Cost<br>£'000 | Computers and IT<br>Cost<br>£'000 | Heritage Assets<br>Valuation<br>£'000 | <b>Total<br/>£'000</b> |
|----------------------------|---|--|--|-----------------------------------|---------------------------------------|------------------------|
| <b>Cost or valuation</b>   |   |  |  |                                   |                                       |                        |
| At 1 January 2016          | 16,554  | 159  | 1,141  | 1,838                             | 215                                   | <b>19,907</b>          |
| Additions                  | -   | -  | 70   | 72                                | -                                     | <b>142</b>             |
| Disposals                  | -   | -  | (62)   | (92)                              | -                                     | <b>(154)</b>           |
| At 31 December 2016        | 16,554  | 159  | 1,149  | 1,818                             | 215                                   | <b>19,895</b>          |
| <b>Depreciation</b>        |   |  |  |                                   |                                       |                        |
| At 1 January 2016          | -   | 39   | 449  | 1,735                             | -                                     | <b>2,223</b>           |
| Charge for year            | -   | 1  | 152  | 105                               | -                                     | <b>258</b>             |
| Disposals                  | -   | -  | (62)   | (92)                              | -                                     | <b>(154)</b>           |
| At 31 December 2016        | -   | 40   | 539  | 1,748                             | -                                     | <b>2,327</b>           |
| <b>Net book value</b>      |   |  |  |                                   |                                       |                        |
| <b>At 31 December 2016</b> | <b>16,554</b>                                   | <b>119</b>                                       | <b>610</b>   | <b>70</b>                         | <b>215</b>                            | <b>17,568</b>          |
| At 31 December 2015        | 16,554  | 120  | 692  | 103                               | 215                                   | 17,684                 |

The net book value of equipment, furniture and fittings included £109k (2015: £137k) in respect of assets held under finance leases. The amount of depreciation charged for the year in respect of such assets amounted to £75k (2015: £74k) and the finance charges amounted to £5k (2015: £10k).

The net book value of leasehold land and buildings represents the College flat, which is available for College Trustees to use. The Trustees approved to let the flat temporarily.

Assets acquired using restricted funds are recognised in the statement of financial activities in the year of purchase.

## 15 Heritage assets

The College owns a collection of antiquarian books, some of which date back to the fifteenth century. Most of the books were donated to the Medico-Psychological Association and the Royal Medico-Psychological Association, predecessor bodies of the College, from 1895. The donations were in the form of gifts and bequests towards the development of the Associations' library. The donations mainly came from the libraries of doctors Daniel Hack Tuke, J Lord, C Lockhart Robertson and J Whitwell. Since 2013, the College has also received donations of antiquarian books from the families of the late Professor Neil Kessel, valued at £6k.

The collection contains English, French and German language books written by notable authors such as John Charles Bucknill, Henry Maudsley, John Conolly, Sigmund Freud, Emil Kraepelin and Charles Darwin. The collection also contains 18th century MD (Doctor of

Medicine) dissertations in Latin submitted to various European Universities.

The collection is an important source of information on the history of psychiatry, psychology, mental illness and learning disability.

In 2002 the College received the Wellcome Trust's Research Resources in Medical History Award to restore and conserve part of the collection. The remainder of the collection which requires restoration is now being conserved by the College's adopt-a-book scheme. Over 70 books have now been restored since the establishment of the scheme in 2007. Over ten books have also been restored using College funds.

All the books excluding the dissertations have been catalogued using the Soutron Library Management System. The catalogue is reviewed, updated and maintained by the Library staff, whilst the preservation and conservation of the

collection is the responsibility of the Archivist. The catalogue can be searched online via the College website and COPAC (Consortium of Online Public Access Catalogues).

The College also has an archives collection with records dating back to 1841. The archives comprise institutional records, deposited archives and manuscripts, and mental nursing examination papers. The collection is being catalogued using Adlib Archive Management System.

The College has an Archives Collections Development Policy. The primary aim of the policy is to collect, maintain, document, preserve and conserve the corporate history and heritage of the College.

The archives and books are held in appropriate environmentally controlled conditions on the premises and access to these collections is by appointment with the College Archivist.

### Analysis of heritage assets

|                                | <b>2016</b> | 2015  | 2014  | 2013  |
|--------------------------------|-------------|-------|-------|-------|
|                                |             | £'000 | £'000 | £'000 |
| Carrying amount at 1 January   | <b>215</b>  | 201   | 201   | -     |
| Additions                      | -           | 6     | -     | -     |
| Depreciation/impairment        | -           | -     | -     | -     |
| Revaluation                    | -           | 8     | -     | 201   |
| Carrying amount at 31 December | <b>215</b>  | 215   | 201   | 201   |

There has been no disposal in the year to the collection of books. The collection of books were revalued on 22 January 2016 at £209k (13 May 2013 £201k) at market valuation, by Bonhams, specialist valuers and auctioneers in a wide range of antiquarian and rare books. The methodology used by Bonhams were to make comparisons with other similar copies sold at auctions and offered for sale by dealers. This was done by the aid of specialist subscription databases, catalogues, those of other auction houses and specialist booksellers, and other bibliographical resources in conjunction with the many years combined experience of the valuers concerned.

On the basis of the revaluation the College has recognised a revaluation gain of £8k and a donation from the families of the late Professor Neil Kessel valued at £6k in 2015; none in 2016. These assets have been recognised in the Balance Sheet at market value. Due to the nature of the heritage assets they are not depreciated and the College Trustees are of the opinion that any provision for depreciation would not be material and that the heritage assets are worth at least their book value.

## 16 Capital Commitments

At 31 December 2016 capital commitments were as follows:

|  | <b>2016</b>  | 2015  |
|--|--------------|-------|
|  | <b>£'000</b> | £'000 |
| <b>Authorised but not contracted for</b> | <b>266</b>   | 262   |

Capital commitments authorised but not contracted for at 31 December 2016 was in respect of the College website redesign £150k, Human Resources management system £50k, NG new membership database £11k (2015: £180k IT related projects) and fixture and fittings £55k (2015: £82k fixture and fittings).

There are no commitments authorised and contracted (2015: £nil).

## 17 Investments

|   | <b>2016</b>    | 2015    |
|---|----------------|---------|
|   | <b>£'000</b>   | £'000   |
| <b>Listed Investments</b>                               |                |         |
| Market value at 1 January                               | <b>7,341</b>   | 4,720   |
| Additions at cost                                       | <b>4,803</b>   | 5,914   |
| Disposal proceeds                                       | <b>(4,663)</b> | (3,155) |
| Net realised investment gain/(loss)                     | <b>315</b>     | (2)     |
| Net unrealised investment gain/(loss)                   | <b>848</b>     | (136)   |
| Market value at 31 December                             | <b>8,644</b>   | 7,341   |
|   |                |         |
| Cash held by investment managers in UK for reinvestment | <b>392</b>     | 554     |
|   | <b>9,036</b>   | 7,895   |
|   |                |         |
| Cost of Listed investments at 31 December               | <b>7,838</b>   | 7,330   |

Listed investments held at 31 December 2016 comprised the following:

|                      | <b>2016</b>  | 2015  |
|----------------------|--------------|-------|
|                      | <b>£'000</b> | £'000 |
| Fixed Interest Bonds |              |       |
| - United Kingdom     | <b>1,006</b> | 654   |
| - Overseas           | <b>368</b>   | 574   |
| Equities             |              |       |
| - United Kingdom     | <b>2,674</b> | 2,378 |
| - Overseas           | <b>4,350</b> | 3,424 |
| Property             | <b>246</b>   | 311   |
|                      | <b>8,644</b> | 7,341 |

**17 Investments (continued)**

Investments which were in excess of 5% by the total value of the Portfolio at 31 December 2016:

|  | % of portfolio<br>valuation | 2016<br>£'000 |
|--|-----------------------------|---------------|
| Threadneedle Inv UK Zna                    | 6.72                        | 581           |
| iShares MSCI USA Dividend IQ UCITS ETF GBP | 7.16                        | 619           |
|  | <b>13.88</b>                | <b>1,200</b>  |

The investments are held through a diversified portfolio to maximise total return on investments with minimal risk.

**18 Stocks**

|                            | 2016<br>£'000 | 2015<br>£'000 |
|----------------------------|---------------|---------------|
| Stock of saleable goods    | 63            | 58            |
| Stock held for consumption | 5             | 5             |
|                            | <b>68</b>     | 63            |

During 2016 no stock had been expensed through the Statement of Financial Activities (SOFA) (2015: £nil).

**19 Debtors**

|                | 2016<br>£'000 | 2015<br>£'000 |
|----------------|---------------|---------------|
| Trade debtors  | 1,298         | 2,038         |
| Prepayments    | 472           | 498           |
| Accrued income | 1,294         | 552           |
| Other debtors  | 262           | 217           |
|                | <b>3,326</b>  | 3,305         |

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

|                                  | <b>2016</b>  | 2015  |
|----------------------------------|--------------|-------|
|                                  | <b>£'000</b> | £'000 |
| Expense creditors                | <b>1,028</b> | 1,100 |
| Deferred income                  | <b>2,553</b> | 2,509 |
| Other creditors                  | <b>90</b>    | 29    |
| Accruals                         | <b>1,202</b> | 719   |
| Obligations under finance leases | <b>52</b>    | 63    |
| Other tax and social security    | <b>354</b>   | 186   |
|                                  | <b>5,279</b> | 4,606 |

|  | Balance b/f<br>1 January 2016 | Realised to SOFA | Deferred in year | <b>Balance c/f<br/>31 December<br/>2016</b> |
|--|-------------------------------|------------------|------------------|---|
|  | £'000                         | £'000            | £'000            | £'000                                       |
| <b>Movement in deferred income</b>                                     |                               |                  |                  |   |
| Membership subscriptions received in advance                           | 200                           | (200)            | 49               | <b>49</b>                                   |
| Examination fees received in advance                                   | 367                           | (367)            | 393              | <b>393</b>                                  |
| Journal subscription received in advance                               | 304                           | (304)            | 337              | <b>337</b>                                  |
| Grants received in advance   | 81                            | (81)             | 206              | <b>206</b>                                  |
| Subscription to network review in advance                              | 1,505                         | (1,505)          | 1,550            | <b>1,550</b>                                |
| Training income received in advance                                    | 52                            | (52)             | 18               | <b>18</b>                                   |
| <b>Total</b>   | <b>2,509</b>                  | <b>(2,509)</b>   | <b>2,553</b>     | <b>2,553</b>                                |
| Amounts to be released in more than 1 year ( <a href="#">note 21</a> ) |                               |                  |                  |   |
| Subscription to network review in advance                              | 445                           | (328)            | 431              | <b>548</b>                                  |
| <b>Total</b>   | <b>2,954</b>                  | <b>(2,837)</b>   | <b>2,984</b>     | <b>3,101</b>                                |

Deferred income relates to income received in advance. Deferred income arises as the income is received in the current year but relates to future years.

## 21 Creditors: amounts falling due after more than one year

|   | 2016<br>£'000 | 2015<br>£'000 |
|---|---------------|---------------|
| Subscription to network review in advance |               |               |
| - two years                               | 399           | 328           |
| - two to five years                       | 149           | 117           |
| Obligations under finance leases          |               |               |
| - two years                               | 38            | 55            |
|   | <b>586</b>    | 500           |

Finance cost in respect of finance leases is £5k (2015: £10k).

## 22 Endowment fund

The capital funds of the charity include endowed monies which must be retained indefinitely.

|                     | At 1 January<br>£'000 | Incoming<br>resources<br>£'000 | Transfers<br>£'000 | At 31 December<br>£'000 |
|---------------------|-----------------------|--------------------------------|--------------------|-------------------------|
| Mary Margaret Slack | 262                   | 3                              | (3)                | 262                     |
| <b>2016</b>         | <b>262</b>            | <b>3</b>                       | <b>(3)</b>         | <b>262</b>              |
| 2015                | 262                   | 2                              | (2)                | 262                     |

The interest from this fund is applied towards a travelling fellowship to enable a psychiatric trainee working in the UK to attend a centre of excellence in the UK or abroad.

## 23 Restricted funds

The income funds of the College include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes:

|   | At 1 January<br>£'000 | Incoming<br>resources<br>£'000 | Resources<br>expended<br>£'000 | Transfers<br>£'000 | At 31 December<br>£'000 |
|---|-----------------------|--------------------------------|--------------------------------|--------------------|-------------------------|
| Member and trainee services                                   | 306                   | 1,240                          | (504)                          | 199                | <b>1,241</b>            |
| Donations received for specific purposes                      | 848                   | 184                            | -                              | (199)              | <b>833</b>              |
| Other funds for specific purposes ( <a href="#">note 24</a> ) | 101                   | 2                              | (23)                           | 3                  | <b>83</b>               |
| <b>Total Member and trainee services</b>                      | <b>1,255</b>          | <b>1,426</b>                   | <b>(527)</b>                   | <b>3</b>           | <b>2,157</b>            |
| Restricted research funds                                     | 495                   | 2,676                          | (2,853)                        | -                  | <b>318</b>              |
| Other projects  | 122                   | -                              | -                              | -                  | <b>122</b>              |
| <b>2016</b>   | <b>1,872</b>          | <b>4,102</b>                   | <b>(3,380)</b>                 | <b>3</b>           | <b>2,597</b>            |
| 2015  | 976                   | 3,706                          | (2,813)                        | 3                  | 1,872                   |

## 23 Restricted funds (continued)

### Member and trainee services

The fund will be applied towards the training and education of psychiatrists and trainees world-wide.

During 2016 the College received £880k from Health Education England and a further £805k is to be received during 2017 for the development of clinical leadership and capacity in perinatal mental health psychiatry. These funds are to be used during 2017 to fund 10 bursaries for consultant psychiatrists to be placed in high quality and approved perinatal mental health services and to train as Clinical Leads, then to return to their own Trust with expectations to lead the development of services.

### Donations received for specific purposes

The fund has been allocated to the Pathfinder Fellowship Scheme which will offer medical students funds to carry out research projects into psychiatry, during 2016 funding has been secured from Gatsby Foundation & Wellcome Trust over the next 2 years towards building, piloting, evaluating and integrating a modern neuroscience perspective into the psychiatry curriculum and towards the Donald Dean Research Fellowship establishing a dedicated, full-time, three-year Research Fellowship in mental health in the workplace.

### Other funds for specific purposes

This is represented by the individual balances of funds set up to accommodate donations and bequests and to be applied for prizes and other specific purposes. The transfer made into the fund represents the interest generated £3k (2015: £3k) from the endowment fund. This is applied towards a travelling fellowship to enable a psychiatric trainee working in the UK to attend a centre of excellence in the UK or abroad.

### Restricted research funds

The funds represents external funding in connection with the College's research activities.

### Transfers

A transfer of £199k from donations received for specific purposes into member and trainee services represents expenditure incurred in relation to Pathfinder Fellowship Scheme, the Sustainable Mental Health Programme, the Donald Dean Research Fellowship and Neuroscience in accordance with restrictions in donations.

Incoming transfer of £3k into other funds for specific purposes represents the return on endowment fund.

### Other projects

This represents the following projects:

#### Public Information Leaflets – St Andrew's

The fund exists to produce mental health information leaflets which are sold in large

quantities to Trusts, PCTs, GP Surgeries, PALs, schools and carer organisations.

#### Inter-collegiate working group

This is a restricted grant given by the Department of Health to the Inter-Collegiate steering group, comprising The Royal College of Psychiatrists, The Royal College of Physicians, The Royal College of General Practitioners, The Royal College of Paediatrics and Child Health and the Faculty of Public Health for developing a strategy against addictions across all age groups.

**24 Other funds for specific purposes**

|   | At 1 January<br>£'000 | Incoming<br>resources<br>£'000 | Resources<br>expended<br>£'000 | Transfers<br>£'000 | At<br>31 December<br>£'000 |
|---|-----------------------|--------------------------------|--------------------------------|--------------------|----------------------------|
| <b>Prize Funds</b>                                |                       |                                |                                |                    |                            |
| Alexander Mezey Prize                             | 7                     | -                              | 1                              | -                  | 6                          |
| Brian Oliver Prize                                | 1                     | -                              | -                              | -                  | 1                          |
| Gillian Page Prize                                | 2                     | -                              | -                              | -                  | 2                          |
| Laughlin Prize                                    | 22                    | 1                              | 1                              | -                  | 22                         |
| Margaret Davenport Prize                          | 4                     | -                              | -                              | -                  | 4                          |
| Morris Markowe Public Education                   | 3                     | -                              | 1                              | -                  | 2                          |
| Peter Scott Prize                                 | 7                     | -                              | -                              | -                  | 7                          |
| Philip Davis Prize                                | 1                     | -                              | 1                              | -                  | -                          |
| Standish-Barry Fund                               | 1                     | -                              | -                              | -                  | 1                          |
| Chris Mace Essay Prize                            | 1                     | 1                              | -                              | -                  | 2                          |
| <b>Travelling Fellowships Wards</b>               |                       |                                |                                |                    |                            |
| Ferdinande Johanna Kanjilal Travelling Fellowship | 1                     | -                              | -                              | -                  | 1                          |
| John Hamilton Travelling Fellowship               | 28                    | -                              | -                              | -                  | 28                         |
| Margaret Slack Travelling Fellowship              | 1                     | -                              | 4                              | 3                  | -                          |
| <b>Other Funds</b>                                |                       |                                |                                |                    |                            |
| Margaret Methven Lecture                          | 2                     | -                              | -                              | -                  | 2                          |
| Lieberman Bequest                                 | 1                     | -                              | -                              | -                  | 1                          |
| Honorary Fellows Fund                             | 7                     | -                              | 5                              | -                  | 2                          |
| Arpana Funding                                    | 2                     | -                              | -                              | -                  | 2                          |
| Dr P J H Gosling Fund                             | 10                    | -                              | 10                             | -                  | -                          |
| <b>2016</b>                                       | <b>101</b>            | <b>2</b>                       | <b>23</b>                      | <b>3</b>           | <b>83</b>                  |
| 2015  | 112                   | 6                              | 20                             | 3                  | 101                        |

The transfer made into the Margaret Slack Travelling Fellowship fund represents the interest generated £3k (2015: £3k) from the endowment fund. This is applied towards a travelling fellowship to enable a psychiatric trainee working in the UK to attend a centre of excellence in the UK or abroad.

## 25 Unrestricted funds

|                            | At 1 January<br>£'000 | Net incoming/<br>(outgoing)<br>resources before<br>transfers<br>£'000 | Transfers<br>£'000 | Other recognised<br>gains and losses<br>£'000 | At<br>31 December<br>£'000 |
|----------------------------|-----------------------|---|--------------------|---|----------------------------|
| Designated funds (note 26) | 20,754                | 1,612   | (192)              | -   | <b>22,174</b>              |
| General fund               | 4,142                 | (317)   | 192                | 1,163   | <b>5,180</b>               |
| <b>2016</b>                | <b>24,896</b>         | <b>1,295</b>  | <b>-</b>           | <b>1,163</b>                                  | <b>27,354</b>              |
| 2015                       | 24,643                | 383   | -                  | (130)   | 24,896                     |

The transfers made between the designated funds and the general fund represent £192k from the Trainee fund towards costs spent on Trainees.

## 26 Designated funds

The income fund of the College includes the following designated funds which have been set aside out of unrestricted funds by the College Trustees for specific purposes:

|   | At 1 January<br>£'000 | New designations<br>£'000 | Transfers<br>£'000 | At<br>31 December<br>£'000 |
|---|-----------------------|---------------------------|--------------------|----------------------------|
| Fixed asset fund  | 18,026                | 3                         | -                  | <b>18,029</b>              |
| Trainee fund  | 173                   | 44                        | (192)              | <b>25</b>                  |
| College Centre for Quality Improvement (CCQI) fund          | 1,318                 | 589                       | -                  | <b>1,907</b>               |
| Faculties, Divisions and Special Interest Groups (FDS) fund | 851                   | 151                       | -                  | <b>1,002</b>               |
| Repairs provision   | 386                   | 825                       | -                  | <b>1,211</b>               |
| <b>2016</b>   | <b>20,754</b>         | <b>1,612</b>              | <b>(192)</b>       | <b>22,174</b>              |
| 2015  | 20,454                | 2,401                     | (2,101)            | 20,754                     |

## 26 Designated funds (continued)

### Fixed asset fund

This represents the net book value of all intangible and tangible fixed assets held by the College, including heritage assets.

### Trainee fund

The fund, established in 2012, represents amounts set aside from the excess of examination surplus to be spent towards trainees. It applies only if examinations surplus in a year represents more than 10% of examinations income. In 2016 the excess above the agreed threshold was £44k (2015: £nil) and has been designated to the Trainee fund. During 2016 £192k (2015: £203k) had been transferred into the general fund to provide for the development of an eLearning package aimed specifically for trainees; therefore giving a net transfer of £148k from the Trainee fund to the general fund. The funding for the development of the eLearning package had been drawn to and end as at 31 December 2016. The Trustees are yet to agree how the remaining balance of the fund is to be spent on trainees.

### College Centre for Quality Improvement (CCQI) and Faculties, Divisions and Special Interest Groups (FDS) fund

During 2015 the Board of Trustees agreed a new funding model with effect from 1 January 2016. The Board of Trustees approved the reserves relating to CCQI and FDS to be formally designated and should be restricted to no more than 6 months of their operating expenditure, in line with the College's Reserves Policy. Where current or future reserves exceed this figure, the excess will be transferred to General Fund. An account will be maintained of the amount of reserves in the General Fund that relates to CCQI and FDS and this will be available to the CCQI and FDS, at the discretion of the Trustees if they depleted their entire designated reserves. As at 31 December 2016 £589k had been designated to the CCQI fund and £151k into the FDS fund.

### Repairs provision

The fund exists to finance exceptional repairs and maintenance of College buildings. In 2016, £825k had been transferred into this fund (2015: £232k). In future, the College aims to designate in excess of £100k each year. The objective of the fund is to set aside approximately £2m by 2023 for major repairs and maintenance to the College's headquarters including the roof, lift and air conditioning system.

## 27 Analysis of net assets between funds

|  | General fund<br>£'000 | Designated funds<br>£'000 | Restricted funds<br>£'000 | Endowment funds<br>£'000 | <b>Total<br/>£'000</b> |
|--|-----------------------|---------------------------|---------------------------|--------------------------|------------------------|
| <b>Fund Balances at 31 December 2016 are represented by:</b> |                       |                           |                           |                          |                        |
| Tangible fixed assets  | -                     | 18,029                    | -                         | -                        | <b>18,029</b>          |
| Investments  | 8,774                 | -                         | -                         | 262                      | <b>9,036</b>           |
| Current assets   | 2,271                 | 4,145                     | 2,597                     | -                        | <b>9,013</b>           |
| Creditor: amounts falling due within one year                | (5,279)               | -                         | -                         | -                        | <b>(5,279)</b>         |
| Creditor: amounts falling due after more than one year       | (586)                 | -                         | -                         | -                        | <b>(586)</b>           |
| <b>2016</b>  | <b>5,180</b>          | <b>22,174</b>             | <b>2,597</b>              | <b>262</b>               | <b>30,213</b>          |
| 2015   | 4,142                 | 20,754                    | 1,872                     | 262                      | 27,030                 |

## 28 Leasing commitments

### Operating leases

At 31 December 2016 the College had total future minimum payments under non-cancellable operating leases as follows:

|                          | Land and buildings    |               | Other                 |               |
|--------------------------|-----------------------|---------------|-----------------------|---------------|
|                          | <b>2016<br/>£'000</b> | 2015<br>£'000 | <b>2016<br/>£'000</b> | 2015<br>£'000 |
| Amounts due:             |                       |               |                       |               |
| Within one year          | <b>38</b>             | 38            | <b>14</b>             | 9             |
| Within two to five years | <b>47</b>             | 73            | <b>54</b>             | 5             |
| Total commitment         | <b>85</b>             | 111           | <b>68</b>             | 14            |

## 29 Net obligations under finance leases

|                          | <b>2016<br/>£'000</b> | 2015<br>£'000 |
|--------------------------|-----------------------|---------------|
| Amounts due:             |                       |               |
| Within one year          | <b>52</b>             | 63            |
| Within two to five years | <b>38</b>             | 55            |
| Total commitment         | <b>90</b>             | 118           |

Obligations under finance leases are secured on the related asset. At 31 December 2016 the College had net obligations under finance leases as disclosed in notes [20](#) and [21](#).

# APPENDIX

## About us

### The Committees of Council

The Committees of Council are:

- Education & Training
- Conferences & Advanced Learning
- Honours & Awards
- International Advisory
- Patient & Carer
- Policy & Public Affairs
- Psychiatric Trainees
- Publications Management Board
- Public Engagement
- Professional Practice & Ethics
- Leadership & Management
- Psychopharmacology

Council meets four times a year.

### Faculties

The Faculties of the College represent the main specialties within psychiatry. The current Faculties are:

- Academic
- Addictions
- Child and Adolescent
- Eating Disorders

- Forensic
- General Adult
- Intellectual Disability
- Liaison
- Medical Psychotherapy
- Neuropsychiatry
- Old Age
- Perinatal
- Rehabilitation and Social

### Divisions

The College has 17 Divisions, which represent the College locally and provide professional advice where required. There are 11 Divisions in the UK and Northern Ireland, and six International Divisions. College members may opt to be members of the Division in which they either live or work but they can only belong to one Division.

The current Divisions of the College are:

#### International

- African International Division
- European International Division
- Middle Eastern International Division
- Pan-American International Division

- South Asian International Division
- Western Pacific International Division

#### Devolved Administrations

- RCPsych in Northern Ireland
- RCPsych in Scotland
- RCPsych in Wales

#### England

- Eastern
- London
- Northern & Yorkshire
- North West
- South Eastern
- South West
- Trent
- West Midlands

### The Psychiatric Trainees' Committee

The Psychiatric Trainees' Committee comprises both 'pre-Membership' and 'post-Membership' Psychiatric Trainees. 'Pre-Membership' Psychiatric Trainees are doctors in psychiatric training who have not yet passed the MRCPsych examination and are therefore not yet full College Members.

## Specialist Advisor appointments

### Specialist Advisors

The College established the roles of Specialist Advisor to ensure that we are receiving expert advice and addressing current issues within psychiatry.

Continuing Professional Development:  
Dr Guy Brookes

Crisis Care: Dr Mary Jane Tacchi

Foundation Training: Dr Ann Boyle

Invited Review Services:  
Professor Rob Poole

Less than full-time training:  
Dr Fiona Harrison

Mental Health Law:  
Dr Julie Chalmers

Mentoring: Dr Pierre Taub

Medical Training Initiative:  
Dr Mohammed Al-Uzri

Specialist Advisor, Psychiatric Support Service: Dr Vishal Agrawal

Sustainable Healthcare:  
Dr Phil Davison

Workforce: Dr Aideen O'Halloran

**Associate Dean appointments**

Associate Deans appointed under Section XIII of the Bye-Laws to assist the Dean in the following areas:

Advanced Learning and Conferences: Dr Ian Hall

Equality, Diversity and Inclusion: Prof Nisha Dogra

Education, Policy and Strategy: Prof Stuart Carney

National Recruitment: Prof Damien Longson

Promoting Recruitment into Psychiatry: Dr Helen Bruce

Trainee Support: Dr Subodh Dave

Equivalence: Dr Nandini Chakraborty

**Associate Registrar appointments**

Associate Registrars appointed under Section XIV of the Bye-Laws to assist the Registrar in the following areas:

Leadership and Management: Prof Fiona Mason

Public Engagement: Dr Jim Bolton

Policy Support: Dr Own Bowden-Jones

Public Mental Health: Dr Peter Byrne

Member Engagement: Dr Santosh Mudholkar

Revalidation: Dr Ellen Wilkinson

Sustainability: Dr Daniel Maughan

### Working with our partners and key audiences

Our collaborative work, much of which is explained above, reflects the diverse nature of our stakeholders. Our Strategic Plan 2015-2018 explains it in a diagram:



## Members of Council Ex-Officio

### President

Professor Sir S Wessely

### Treasurer

Professor N Craddock  
(to 28/06/16)

Dr J Falkowski (from 28/06/16)

### Dean

Dr W Burn (to 28/06/16)  
Dr K Lovett (from 29/06/16)

### Registrar

Dr A J B James

### Editor

Professor K Bhui

## Chairs & Representatives of Divisions

### Eastern

Dr S Bhandari

### London

Dr S Ahmad

### South East

Dr H G Series

### Northern & Yorkshire

Dr Babu

### North West

Dr L Sell

### South West

Dr R Laugharne

### Trent

Dr C W Rusius

### West Midlands

Dr G L Milner

### Northern Ireland

Dr D Day-Cody (to 23/3/16)  
Dr G Lynch (from 24/3/16)

### Scottish

Dr A J C Cook

### Welsh

Professor R Poole (to  
26/06/16)  
Professor K Lloyd (to 26/06/16)  
(from 27/06/16)

## Elected Fellows and Members

Professor S Carney  
Vacancy  
Dr A Ramakrishnan

## Chairs of Faculties

**Child & Adolescent Psychiatry**  
Dr P A Hindley

### Forensic Psychiatry

Professor T A Fahy  
(to 28/06/16)  
Professor P Taylor  
(from 28/06/16)

### General Adult Psychiatry

Dr L Cornwall

**Psychiatry of Intellectual  
Disability**

Dr A Roy

### Old Age

Dr A Thompsell (28/06/16)

**Psychiatry of Medical  
Psychotherapy**

Dr S Mizen

**Rehabilitation & Social  
Psychiatry**

Dr S Kalidindi

### Liaison Psychiatry

Dr P H L Aitken

### Addictions

Professor C Drummond

### Academic Psychiatry

Professor A R Lingford-Hughes

### Neuropsychiatry

Dr R Faruqui (to 28/06/16)  
Professor E Joyce  
(from 28/06/16)

### Perinatal Psychiatry

Dr E McDonald (28/06/16)  
Dr T Seneviratne  
(from 28/06/16)

### Eating Disorders

Dr D Nicholls

## Chairs of Committees

**Chair of Special Committee  
on Professional Practice  
and Ethics**

Dr M Deshpande

**Director of Advanced Learning  
& Conferences**

Dr I S Hall

### Psychopharmacology

Professor A Young

### Leadership & Management

Prof F Mason

### Public Engagement

Dr J Bolton

**Psychiatric Trainees'  
Committee**

Dr M Tovey

Dr K Milward

Dr C L Murphy

Dr C Blewett

### Policy & Public Affairs

Dr A J B James

### Publications Board

Professor K Bhui

### Patients & Carers

Dr J Bolton (Co-Chair)  
Dr T Rao (Co-Chair)

### Nominations Committee

(Formerly Honours &  
Awards Committee)  
Professor Sir S Wessely

**International Advisory  
Committee**

Professor Sir S Wessely

## Representatives

### Patients and Carers

#### Representatives

Mrs E Bitcon (to 28/06/16)  
Mr D Pickering (to 28/06/16)  
Mr M Arbuthnott (to 28/06/16)  
Ms D Lewis (from 28/06/16)  
Ms M Long (from 28/06/16)  
Mr R Milligan (from 28/06/16)  
Mr R Walker (from 28/06/16)

### Co-Opted Members

Prof. M J Crawford  
Prof. T J G Kendall

## Finance Management Committee

### Chair

Professor N Craddock,  
Treasurer (to 29/06/16)  
Dr J Falkowski  
(from 29/06/16)

### Divisions' representative

Prof R G Poole

### Faculties' representative

Dr R A Faruqi (to 26/06/16)  
Dr L Cornwall (from 25/11/16)

### Elected members' representative

Dr J Falkowski

### Lay Trustees' representative

Mr M Basing

### Chief Executive

'(in attendance)'  
Mrs V Cameron (to 16/12/16)  
Mr P Rees (from 28/11/16)

### Director of Finance & Operations

'(in attendance)'  
Mr K Padmanathan

## Education, Training & Standards Committee

### Chair, in rotation

Professor Sir S Wessely  
Dr W Burn, (to 28/06/16)

### Dean

Dr K Lovett (from 29/06/16)

### Registrar

Dr A J B James

### Associate Registrar for

Revalidation  
Dr E Wilkinson

### Associate Dean for Trainee Support

Dr S Dave

### Associate Dean for Education Policy & Strategy

Professor S M Carney

### Associate Dean for Recruitment into psychiatry

Dr H Bruce (01/07/16)

### Associate Dean for Equality & Diversity

Professor N Dogra  
(from 01/09/16)

### Deanery Representative

Dr H De Waal (to 01/09/16)

### Deanery Representative

Prof M Maier

### Lead Dean for Psychiatry

Professor J Hayden  
(to 31/09/16)  
Dr J Mamelok (from 01/10/16)

### Chief Examiner

Dr P Bowie

### Specialist Advisor for Curricula & QA

Dr A Brittlebank

### Specialist Advisor for the Foundation Programme

Dr A M Boyle

### Specialist Advisor for CPD

Dr G S Brookes

### Specialist Advisor for Simulation Training

Dr P McCormick

### Specialist Advisor for Workforce

Dr A O'Halloran

### Trent Division

Dr D J Bloye

### Eastern Division

Dr G Mundempilly (to 18/10/16)  
Dr Chris O'Loughlin (from 01/06/16)

### London Division

Dr D Reiss

### North West Division

Dr G Ness (to 31/07/16)  
Dr N B Mathew (from 01/08/16)

### RCPsych Northern Ireland

Dr C S Donnelly

### RCPsych Scotland

Dr S H Brown (to 31/05/16)  
Dr J Russell (from 01/06/16)

### South West Division

Dr G Undrill

### RCPsych Wales

Dr V Aziz (to 01/06/16)  
Dr M Janas (from 01/06/16)

### West Midlands

Dr J S Greening

### Northern & Yorkshire Division

Dr G Garry (to 18/06/16)  
Dr S Davies (from 19/06/16)

### Associate Dean for National Recruitment

Professor D Longson

### Speciality Doctor Committee Representative

Dr R Rama Iyer (to 30/05/16)  
Dr M Schelhase  
(from 01/06/16)

### South East Division

Dr C Kinane (to 30/05/16)  
Dr S Pandit (01/06/16)

### Psychiatry of Intellectual Disability

Dr A Biswas

### Liaison Psychiatry

Dr P H L Aitken  
Dr T Pieters

### Child & Adolescent Psychiatry

Dr H M Bruce

### Eating Disorders Psychiatry

Dr I Jurewicz

### Forensic Psychiatry

Dr D Reiss

### General Adult

Dr S Dave

### Neuropsychiatry

Dr N Poole

### Perinatal Psychiatry

Dr A Wieck

### Psychotherapy

Dr W L Burbridge-James

### Rehabilitation & Social Psychiatry

Dr M A Javad

### Psychiatric Trainees' Committee Chair

Dr M Tovey

### PTC Vice-chair

Dr C L Murphy  
Dr C L Murphy

### Associate Dean for Advanced Learning & Conferences

Dr C Blewett  
Dr I S Hall

### Chief Executive

Mrs V Cameron (to 16/12/16)  
Mr P Rees (from 28/11/16)

Director of Professional Standards  
Mr F Palekar

Head of Training and Workforce  
Operations

Mrs N Cochrane

Head of Examinations & Operations  
Ms D Wright

Observer

Dr N J Margerison

Specialist Advisor on Less than  
Fulltime Training

Dr F M Harrison

Academic Psychiatry Faculty

Dr V A Curtis

## Senior management

Chief Executive

Mrs V Cameron (to 16/12/16)

Mr P Rees (from 28/11/16)

Director of Communications & Policy

Ms K Stillman (Interim) (to 29/02/16)

Ms K Catchside (from 03/05/16)

Director of Development Office

Ms A Paul

Director of Finance & Operations

Mr K Padmanathan

Director of Human Resources

Ms M Cummings

Director of Professional Standards

Mr F Palekar

Director of Publications & Website

Mr D Jago

Director of CCQI

Professor M Crawford

Director of NCCMH

Professor T Kendall



© The Royal College of Psychiatrists 2017

21 Prescot Street, London E1 8BB

[www.rcpsych.ac.uk](http://www.rcpsych.ac.uk)

The Royal College of Psychiatrists is a charity registered in England and Wales (228636) and in Scotland (SC038369)