

## RCPsych Annual General Meeting 23<sup>rd</sup> June 2021

### Report of the Treasurer



It is with great pleasure that I present the annual accounts of the Royal College of Psychiatrists for the financial year ending 31 December 2020, prepared in accordance with the Charity SORP and FRS 102. The details are included in the Annual report and I will therefore present a summary.

The College has a portfolio of listed investments and operated an ethical investment policy with a broad remit that permitted investment in both equities and fixed interest securities. The policy was reviewed early in 2020 and changed to not only exclude investment in fossil fuels but also positively invest in companies whose activities support the UN Sustainable Development Goals. This switch to a sustainable investment policy helped the strong financial performance of the portfolio during the year, yielding a positive return of 15.5 % for the year (2019: 12.2 %).

As with many organisations 2020 was a very challenging year for The College. As the COVID pandemic took effect significant changes in how services were delivered to members, trainees and other key stakeholders had to be made. Face to face events were cancelled, including the International Congress, other conferences and all the examinations. Refunds were paid to all those who had already paid. Initial estimates forecasting a deficit of £2 million for the year.

The College developed systems and processes that allowed online events to be held. These were a mix of free and paid for webinars, generating valuable income for the College. Significant resources were applied to create online exams. The Exams were run successfully but the College sustained a substantial loss on the Exams. The increased level of activity meant that the College needed to fill a number of the roles that had previously been held vacant and by the year end vacant roles were down to 22 and no staff were furloughed

The College increased its support for Faculties, Divisions and Devolved Councils during the year, recognising that they would not be able to hold their face to face conferences that would normally generate income to help support those activities. This support will continue throughout 2021.

Membership of the College has grown by 2% (2019: 2%) during the year to a total of 19,160 members (2019: 18,700).

### ***Income***

The College's main sources of income are membership fees and grants from or contracts with other organizations, in particular the NHS. The Total income received in 2020 was £ 18.2 M compared to £ 21.5 M in 2019.

## **Expenditure**

Staff costs are the main item of expenditure for the College and increased to £11,169k in 2020 (2019: £10,778k). The average number of staff increased to 266 (2019: 232). Patients and Carers are now included as workers in the staff numbers, although they only work for the College for a limited number of days in the year.

A number of major repairs or improvements were carried out at the main building in London, replacing chillers, water tanks and installing a new front entrance. These improvements will save money in the future as well as reduce energy use. These works, £405k, were funded from the Building Repairs Fund (2019: £103k)

Excluding the Building Repairs Fund spend and valuation movements the underlying unrestricted deficit for 2020 was £878k (2019: surplus £186k).

The gain in our investments of £ 1.9 m in 2020 (2019: £1.6 M) offset the deficits and resulted in an overall surplus of £ 623 k for 2020 ( 2019: £ 735 k) This has enable the College to ensure we have 6 months operating costs in reserve.

We are constantly focused on ensuring we provide value for money in all our activities to ensure all our income, including membership income, is used wisely.

I would like to thank Calum, Mehmet, Ewa, the rest of the Finance Team and Members and Trustees who sit on the Finance Management Team. This advice and support is invaluable. I would also like to thank my Fellow Officers, Adrian, Trudi and Kate.

**Dr Jan Falkowski, Treasurer**

**June 2021**