

Royal College of
Veterinary Surgeons
**Annual Report &
Financial Statements**
2021

Contents

Reference and administrative details	4
Message from the President and the CEO	7
Report to RCVS members	8
Relationship with RCVS Knowledge	12
Overview of 2021	15
Financial management policies	25
Auditor's report	28
Financial statements	31
Notes to the financial statements	34



Reference and administrative details: Officers and professional advisers

Council members

Elected members

Caroline Allen MRCVS	(To 09.07.21)
Louise H Allum MRCVS	(From 09.07.21)
Linda Belton MRCVS	
Danny Chambers MRCVS	
Niall Connell MRCVS	(Vice-President to 09.07.21, Treasurer from 09.07.21)
Melissa Donald MRCVS	(Vice-President from 09.07.21)
Joanna Dyer MRCVS	
Tshidi Gardiner MRCVS	(From 09.07.21)
Mandisa Greene MRCVS	(President to 09.07.21, Vice-President from 09.07.21)
David Leicester MRCVS	(To 09.07.21)
Stephen May FRCVS	(From 03.06.21)
Susan Paterson FRCVS	
Martin Peaty MRCVS	(To 09.07.21)
Kate Richards MRCVS	(Vice-President from 15.04.21 to 09.07.21, President from 09.07.21)
Cheryl Scudamore FRCVS	(To 09.07.21)
Neil Smith FRCVS	
Richard Stephenson MRCVS	(From 10.07.20 to 03.06.21)
Chris Tufnell FRCVS	(To 09.07.21)
Colin Whiting MRCVS	(From 09.07.21)

Appointed lay members

Derek Bray
J Mark Castle
Linda Ford
Claire McLaughlan
Tim Walker
Judith Worthington

Privy Council – appointed members

Christine Middlemiss MRCVS (Observer)

Vet Schools Council – appointed members

David Argyle FRCVS	(Vice-President from 10.07.20 to 15.03.21)
Susan Dawson FRCVS	(Treasurer to 09.07.21)
Tim Parkin FRCVS	(From 09.07.21)
Chris Proudman FRCVS	(From 09.07.21)
James Wood FRCVS	

Appointed veterinary nurses

Belinda Andrews-Jones RVN
Matthew Rendle RVN

Senior Team

(Key management personnel)

Lizzie Lockett	Chief Executive Officer
Angharad Belcher	Director for Advancement of the Professions
Richard Burley	Chief Technology Officer (To 31.01.22)
Julie Dugmore	Director of Veterinary Nursing
Eleanor Ferguson	Registrar and Director of Legal Services
Lisa Hall	People Director
Ian Holloway	Director of Communications
Corrie McCann	Director of Operations and Deputy Registrar
Linda Prescott-Clements	Director of Education
Darren Tysoe	Chief Technology Officer (From 31.01.22)

Audit & Risk Committee

Derek Bray	(To 09.07.21)
Elizabeth Butler	(From 09.07.21)
Tshidi Gardiner	(From 09.07.21)
Ken Gill	(To 09.07.21)
David Leicester	(To 09.07.21)
Stephen May	(To 10.07.20)
Victor Olowe	
Janice Shardlow	

Head office

Belgravia House (To 26.03.22)
62–64 Horseferry Road
London
SW1P 2AF

The Cursitor (From 26.03.22)
38 Chancery Lane
London
WC2A 1EN

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Bates Wells
10 Queen Street Place
London
EC4R 1BE

Auditor

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW



A woman with dark hair, wearing a dark-colored scrub top, is sitting in a clinical setting. She is looking towards the right of the frame. In front of her is a long-haired dog, possibly a Shetland Sheepdog, sitting on a table. The dog is looking towards the camera. The background shows medical equipment, including a scale and other instruments. The overall tone of the image is blue and professional.

“The veterinary nursing profession celebrated its 60th anniversary, marking the occasion with podcasts, webinars and events.”

Message from President and CEO

Getting back on track

Much of 2020 was focused on navigating our way through the strange new world that greeted us in March of that year. Though we published our Strategic Plan at the beginning of 2020, our main focus was understandably on making sure we were supporting the profession as best we could while still progressing our strategic projects.

In contrast, however, 2021 has been a story of getting back on track and delivering on the progression we made and preparatory work we undertook in the previous year.

Coronavirus was still a live issue of course, but it was no longer new. It is a testament to the flexibility and dedication of the whole RCVS team and the robustness of our processes and systems that we not only maintained our core functions but delivered on strategic aims throughout 2021 in the face of further lockdowns, home schooling and new virus strains.

While a full breakdown of what we delivered in relation to the Strategic Plan can be found from page 15 of this report, we wanted to take the opportunity to highlight some key projects delivered this year.

On the theme of supporting the profession, one of our proudest achievements was bringing into fruition a whole new system for supporting new veterinary graduates in their workplace in time for the new graduate cohort joining the Register in the summer. In an environment where, despite the heroic efforts of the vet schools, students were seeing disruption to their education, we considered it crucial that the Veterinary Graduate Development Programme (or VetGDP) was in place to help them with the transition from vet school to life in practice. Necessary to the delivery of VetGDP is the role of the VetGDP Adviser, established veterinary surgeons based in the workplace who would be able to guide and assist new graduates in their professional development. When we started the training for the VetGDP Adviser role in spring, we were delighted to see almost 2,000 members of the profession sign up to play their role in helping the next generation of veterinary surgeons find their feet in challenging times.

Internally, our People, Digital and Facilities Teams continued to make great efforts to facilitate home-working – especially important for members of staff who are clinically vulnerable

and/or have caring responsibilities – while continuing to support the hiring and induction of new staff, and settling them into their roles and the organisation and its culture under unusual circumstances. Testament to this was the launch this year of our People Strategy, recognising that having the right people with the right skills, the right attitudes and exhibiting the right behaviours in respect of compassion and a commitment to diversity and inclusion, is crucial to delivering the vision set out in the Strategic Plan.

We also recognised a very special milestone this year as the veterinary nursing profession celebrated its 60th anniversary, marking the occasion with podcasts, webinars and events. While we looked back over the past and how the profession has developed, we also wanted to celebrate how the profession has, particularly in recent years, grown in prominence and number, reaching 20,000 members in 2021. The veterinary nursing profession has a bright future ahead of it with advanced qualifications and an enhanced role included in our legislative reform recommendations.

Finally, the theme of this presidential year has been about the importance of building 'connections that count' for enhancing our skills, knowledge and professionalism. All of what has been achieved by the RCVS this year has come about as a result of strong relationships that enable us to work together as a team, whether between RCVS staff or between the staff and Council, including having challenging conversations and robust discussions when needed. ■



Kate Richards
President



Lizzie Lockett
Chief Executive Officer

Report to RCVS members

The RCVS Council presents its report and the audited financial statements of the RCVS for the year ending 31 December 2021. The reference and administrative information set out on page 4 forms part of this report.

The College has adopted the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP) (FRS 102), to provide a comparable framework with other organisations. The accounts have been prepared in accordance with the SORP, with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Structure, governance and management

The RCVS regulates the veterinary profession in the UK in accordance with the Veterinary Surgeons Act 1966 (VSA). It discharges duties and exercises powers under the VSA but was created by, and still exists by virtue of, a Royal Charter of 1844. Most of the original Charter was superseded by the Supplemental Charter of 1967. This revoked the Charter of 1844 except so far as its provisions 'incorporate the College, recognise the veterinary art as a profession, authorise the College to have a Common Seal, to hold property, and to sue and be sued'.

A Supplemental Charter to replace that of 1967 came into operation on 17 February 2015. It does two important things. First, it sets the objects of the College, 'to set, uphold and advance veterinary standards, and to promote, encourage and advance the study and practice of the art and science of veterinary medicine, in the interests of the health and welfare of animals and in the wider public interest'. The Charter gives the College power to 'undertake any activities that seem to it necessary or expedient to help it to achieve its objects' and mentions a number of specific activities.

Second, the Charter recognises veterinary nursing as a profession. It requires the College to continue to keep a list of veterinary nurses, known as the Register of Veterinary Nurses, and gives registered veterinary nurses (RVNs) the formal status of associates of the College. The Veterinary Nurses Council is required to set standards for their education,

training and conduct. Bye-laws attached to the Charter require RCVS Council to make rules dealing with the registration of veterinary nurses and the supervision of their professional conduct.

The bye-laws attached to the Charter supersede all former RCVS bye-laws, but RCVS Council is given power to make rules, protocols and procedures related to its activities under the Charter and the transaction of the business of the College. In November 2014, in preparation for the new Charter coming into operation, RCVS Council made rules and a protocol which preserve some of the content of the former bye-laws.

RCVS Council

The VSA determines the composition of RCVS Council. There are 24 members on RCVS Council: 13 elected members (all veterinary surgeons), three members appointed by the Veterinary Schools Council, the body that represents the eight Universities with an RCVS-accredited veterinary degree programme (Bristol, Cambridge, Edinburgh, Glasgow, Liverpool, London, Nottingham, and Surrey), two appointed veterinary nurses, and six appointed lay members. In addition the Chief Veterinary Officer is an ex-officio observer.

In May 2019, a Legislative Reform Order (LRO) was laid before Parliament, which reformed our governance arrangements to improve the efficiency and accountability of Council's decision-making processes. Over the three-year transition period, the LRO has almost halved the number of Council members and formalised lay and veterinary nurse membership of Council.

The terms and conditions of office are:

- elected Council members serve a term of office of four years, but have a maximum limit of three consecutive terms, with a mandatory two-year break before a person may stand or be appointed again; and,
- Council members must abide by a Code of Conduct for Council and Committee members and are subject to a complaints process.

“In May 2019, a Legislative Reform Order (LRO) was laid before Parliament, which reformed our governance arrangements to improve the efficiency and accountability of Council’s decision-making processes.”

Election and induction of Council members

Every year, the terms of office for three elected members of Council begin at the Annual General Meeting. The election process starts in the preceding year, when the retiring members eligible for re-election, as well as the profession and veterinary press, are notified of the details of how to stand for election to Council. Only veterinary surgeons on the RCVS Register may stand for election.

Voting opens in March for all members of the College (other than those who are resident in the Republic of Ireland, who have not retained their right to vote in Council elections). Online voting is made available to members via emails sent from Civica Election Services containing unique links to a secure voting website. In 2021, the voting for the RCVS Council election was online-only.

A Council member’s period of office is usually four years. Newly-appointed members receive an induction with the Executive Office and Senior Team members. Council members’ expenses reclaimed from the College are set out in note 5 to the accounts.

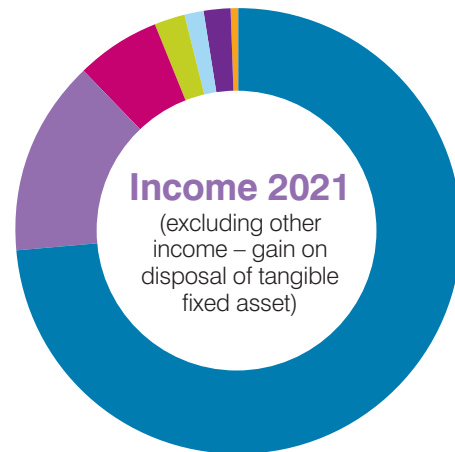


Figure 1: Income 2021

● Veterinary surgeons	£10,969,859
● Veterinary nurses	£2,113,000
● Practice Standards Scheme	£912,148
● Investment income	£319,618
● Register of Veterinary Practice Premises	£222,712
● RCVS examinations	£292,110
● Publications and other income	£52,909

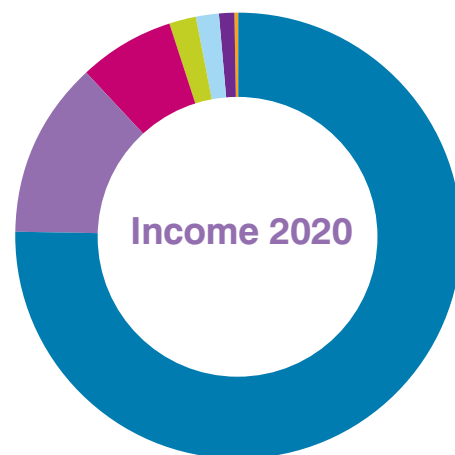


Figure 2: Income 2020

● Veterinary surgeons	£10,502,289
● Veterinary nurses	£1,776,672
● Practice Standards Scheme	£959,666
● Investment income	£296,184
● Register of Veterinary Practice Premises	£215,022
● RCVS examinations	£162,920
● Publications and other income	£14,424

RCVS committees

RCVS Council is supported by a system of committees, subcommittees and working parties, on which sit various members of Council and other appointed individuals.

The statutory and non-statutory disciplinary and investigation committees, and appeals committees are:

- the Disciplinary Committee (statutory committee);
- the Examination Appeals Committee (appeals committee);
- the Preliminary Investigation Committee (statutory committee);
- the Veterinary Nurses Preliminary Investigation Committee;
- the Veterinary Nurses Disciplinary Committee;
- the Registration Appeals Committee (statutory appeals committee); and,
- the Specialist and Advanced Practitioner Appeals Committee (appeals committee).

The standing committees are:

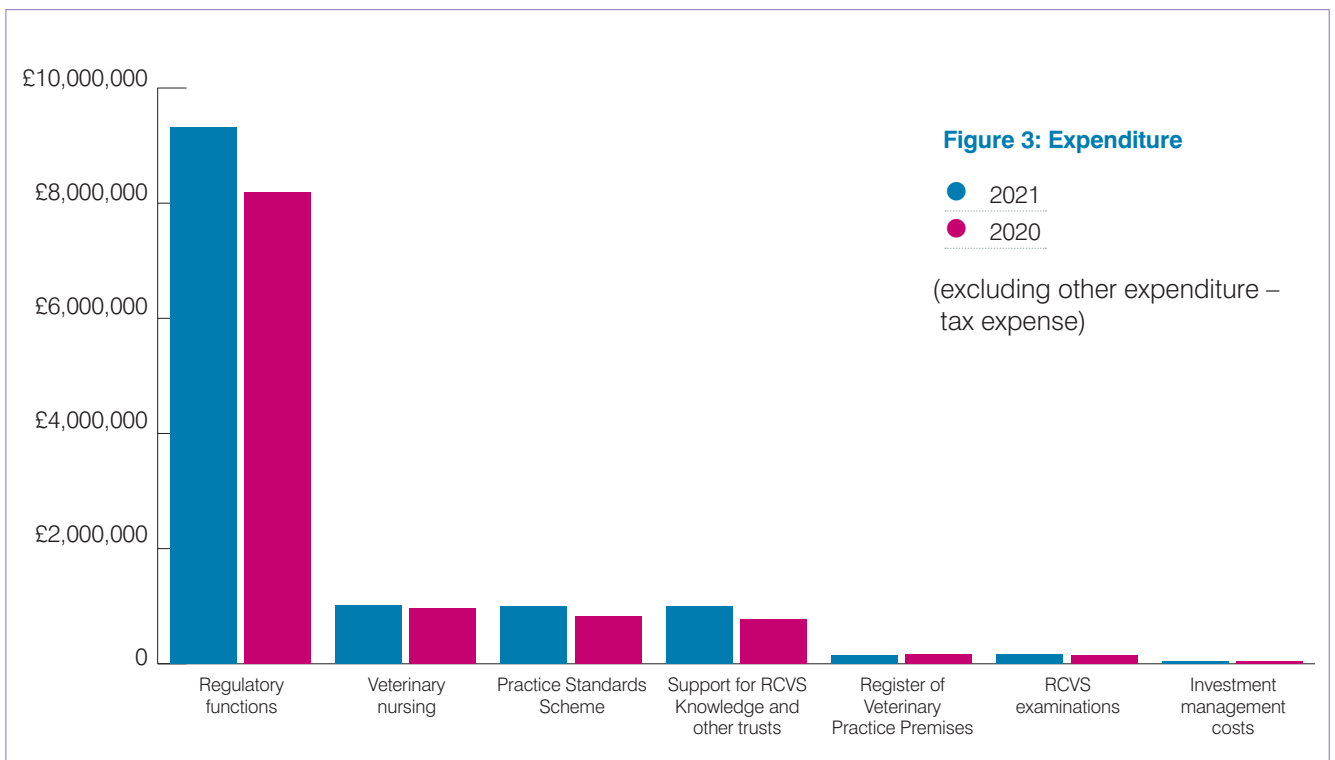
- the Advancement of the Professions Committee;
- the Audit and Risk Committee;
- the Education Committee;
- the Finance and Resources Committee;

- the Registration Committee
- the Preliminary Investigation Committee and Disciplinary Committee Liaison Committee;
- the Standards Committee; and,
- the Veterinary Nurses Council.

Standing committees report to Council and shall be constituted and work within their terms of reference. Their Chairs are elected by Council unless the Chair is role-based (eg Treasurer for Finance and Resources Committee), with the exception of VN Council, which elects its own Chair. Committees select their own Vice-Chairs, unless otherwise specified.

All the standing committees generally meet four times a year. The quorum for standing committees will generally be a simple majority of the total number of members, unless otherwise specified.

The committees may appoint one or more subcommittees or working parties for such general or special purpose as they may think fit, subject to the approval of the Finance and Resources Committee and/or Council, and, subject to any contrary direction from the Council, may on behalf of the Council delegate to such subcommittees power to act in the name of the College and the Council in relation to the matters set out in their terms of reference.



Details about the roles and terms of reference for each committee can be found on the RCVS website at www.rcvs.org.uk/committees.

Senior Team (key management personnel)

The purpose of the Senior Team is to enable Council to set the strategic direction and oversee governance of the RCVS, and to enable the College staff team to deliver on its remit and strategic objectives.

The Senior Team comprises the RCVS Departmental Directors and is led by the CEO, who takes responsibility for delivery of the RCVS Strategic Plan, as agreed by Council, and the day-to-day running of the College.

The CEO chairs these meetings, and the Executive Director of RCVS Knowledge is invited to sit as observer.

The key responsibilities of the Senior Team are as follows:

- Support and advise the Officers (President, Vice-Presidents and Treasurer), Council and committee members in the development and delivery of the Strategic Plan;
- Ensure delivery of the Strategic Plan and keep Council regularly updated on progress against time, budget and intended impact;
- Enable understanding of the RCVS purpose and Strategic Plan throughout the organisation and to ensure continual, coherent and consistent communication;
- Create an environment in which our people can deliver, learn and thrive;
- Ensure the effective and efficient day-to-day direction and management of the organisation in line with key functions as a Royal College and regulator;
- Propose and manage the College budget ensuring the most effective use of resources;
- Recommend Key Performance Indicators and service standards, and review activities against these, making adjustments to procedures and resources as applicable in association with the relevant Committee Chairs;
- Utilise the collective wisdom and expertise of the Senior Team and wider organisation by collaborating to exploit synergies and advance our organisational priorities;
- Ensure appropriate mitigations against risk, keeping the organisational and departmental Risk Registers up to date and report regularly to the Audit and Risk Committee;
- Horizon-scan for opportunities and threats, building networks to understand, for example, research and best practice from other similar organisations both at home and overseas, and act on this information appropriately; and,
- Identify and consider issues and activities for communication to the wider organisation, professions and public.

Details about the Senior Team members can be found on page 4.

The Chief Executive Officer and Registrar/Assistant Registrars are appointed by Council, while the other Senior Team members are appointed by the Chief Executive Officer.

Financial review

Income in 2021 is 93% higher than in 2020. This is due to the inclusion of the sale of Belgravia House and is also due to the growth in retention of veterinary surgeons and higher numbers of registered veterinary nurses.

Total income for the year was £26,899,975, (including the sale of Belgravia House) (2020-£13,927,177)

Expenditure in 2021, excluding corporation tax payable, has increased by 4% as anticipated, reflecting inflationary rises, but remained within budget.

Total expenditure, including tax payable, was £15,681,620 (2020-£11,062,837).

Some activities that could not be carried out in 2020 were started again in 2021 including some in-person disciplinary hearings, exams, visitations and Practice Standards assessments.

The RCVS sold Belgravia House in March 2021 and leased the building back, this increased central costs as rent was payable. In December, the RCVS exchanged contracts to purchase a building and paid a deposit, which is shown in debtors. In January 2022, RCVS completed on the purchase transaction. The new property, at 1-2 Hardwick Street, Clerkenwell, will be shown as a tangible fixed asset in the 2023 accounts.

In 2021 there were gains on investments of £1,243,407 and in 2020 the portfolio had gains of £215,386. The value of investments can rise and fall and the RCVS holds them for the longer term.

Further information is included under 'Investment powers and performance' on page 27.

Public benefit statement

As a regulator, the RCVS sets, upholds and advances veterinary standards. As a Royal College, it promotes, encourages and advances the study and practice of the art and science of veterinary surgery and medicine. The RCVS does all these things in the interests of animal health and welfare, and in the wider public interest. In so doing, the RCVS considers itself to be a public benefit entity. ■

The relationship with RCVS Knowledge

Founded by the RCVS in 1958, the RCVS Charitable Trust (known since 2013 as RCVS Knowledge), is an independent charity that enjoys a close relationship with the College, which is its major funder and provides a range of services to it, including use of College premises.

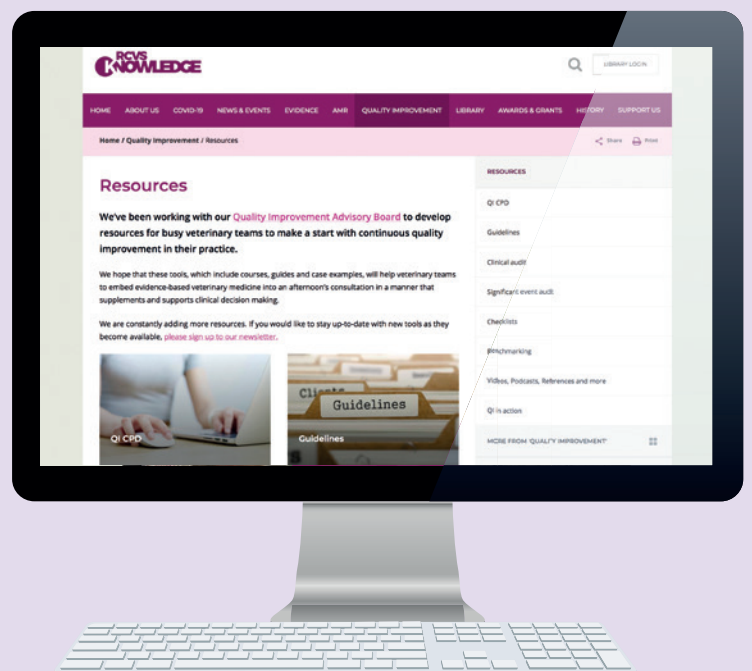
A Memorandum of Understanding is in place between the RCVS and RCVS Knowledge. The purpose of this Memorandum is to record an agreement between the College and RCVS Knowledge about the resources and services made available by one organisation to the other and the necessary arrangements for managing these resources.

The relationship continues to be kept under review and the contents of the Memorandum are reviewed periodically, last in May 2021. Joint meetings are held between the RCVS and RCVS Knowledge to consider items of mutual interest.

RCVS Knowledge advances the use of evidence-based veterinary medicine in veterinary practice. It supports thousands of dedicated veterinary professionals in delivering high-quality evidence-based veterinary medicine to the millions of animals in their care.

Its work focuses on translating and providing accurate and up-to-date evidence to the front line of veterinary practice. Its supportive approach puts evidence and knowledge into the hands of the vet and vet nurse to improve the quality of care they deliver, through its peer-reviewed journal, its library, quality improvement activities and historical collections.

RCVS Knowledge has ten Trustees, of whom four are RCVS Council members and six are external trustees. Transactions with RCVS Knowledge are shown in notes 4 and 13 in the financial statements. ■



Learn, your Knowledge platform

13

Earn free CPD and help improve the care you provide to your patients. Access our EBVM Learning, Farm Vet Champions and QI Boxset courses now

ACCESS THE FREE COURSES NOW



Veterinary Evidence

New research from our open access, peer-reviewed journal.

READ THE LATEST

Journal Clubs

Suggested reading material and guidance to assess published papers as a practice

VIEW NOW

Vet History

One of three major veterinary collections in the UK, our Historical Collection contains copies of all the major authors' works in the veterinary sphere dating from 1514.

28
MAR

News

New benchmarking boxset released

New article in our Quality Improvement Series

Adopting to change: Why it took 30 years to start washing our hands

READ NOW

QI Boxset

Access five hours of free bite-sized CPD and learn about Quality Improvement in practice.

STREAM NOW

in
FOCUS
journal watch


Follow the latest clinical developments with our journal watch

READ THE LATEST

Library & Information

Access to a wealth of electronic and print resources focused on veterinary science and animal health.

FIND OUT MORE

A woman with short dark hair, wearing a dark, textured jacket and a stethoscope, is shown in profile, looking down at a horse. She is holding the chest piece of the stethoscope against the horse's side. The background is a blurred stable interior with wooden walls and a window. The overall color palette is dark and monochromatic, with a teal overlay at the bottom containing text.

“2021 was about the RCVS getting back on track with meeting some of its key strategic aims, notwithstanding the continuing pressures, challenges and uncertainties posed by the pandemic.”

Overview of 2021

This overview is designed to show how the College has, throughout 2021, delivered on its 2020-24 Strategic Plan with reference to its four key ambitions.

If the outbreak of the coronavirus pandemic in 2020 provided an unprecedented challenge and disruption for the RCVS and the veterinary sector as a whole, then 2021 was about the RCVS getting back on track with meeting some of its key strategic aims, notwithstanding the continuing pressures, challenges and uncertainties posed by the pandemic.

The 2020–24 Strategic Plan

The five-year Strategic Plan was approved by members of RCVS Council at its January 2020 meeting and was published in full that spring.

At the forefront of the Plan, is our vision to be recognised as a trusted, compassionate and proactive regulator, and a supportive and ambitious Royal College, which provides the underpinning for confident veterinary professionals of whom the UK can be proud, both domestically and abroad.

The 2020–24 Strategic Plan builds on the achievements of its two predecessors (the 2014–16 and 2017–19 plans), taking into account the future direction and needs of the professions and also the needs of the public, animal owners and, of course, animal health and welfare and public health. To do this, the plan addresses what kind of regulator and Royal College we want to be, our place in the world, and how we can continue to remain relevant and ambitious.

To help us achieve our vision, the Strategic Plan has four key ambitions:

- **Clarity:** simplifying, unpicking and modernising what we do in order to remain relevant to both the profession and the wider public;
- **Compassion:** embracing a more compassionate approach to regulation by treating everyone as individuals, communicating promptly, explaining appropriately, and being fair, particularly in relation to our concerns investigation and disciplinary processes;
- **Courage:** taking a leadership role within the professions and considering how we can ensure the professional culture within the veterinary world is healthy, sustainable, inclusive, innovative and respectful; and,
- **Confidence:** recognising that we can only deliver on our plans if we have the right systems, skills and capacities in place in terms of our staffing, facilities, governance, finance, IT and communications. The decisions we make on the above will be underpinned by our mission, vision and culture.

Within these four ambitions of the Strategic Plan (available to download and read at www.rcvs.org.uk/strategy) there are a number of actions – 33 in total – which set out the concrete steps we will take to meet the ambitions. This overview will look in detail at the actions taken in 2021, but first, we wanted to give, in brief, a few key highlights of the year.

- Finalising our recommendations for future legislative reform and formally submitting these to the Secretary of State for Environment, Food and Rural Affairs.
- Introducing the Professional Conduct Investigation Support Service, a free confidential listening and support service for veterinary surgeons and veterinary nurses who are currently going through to the RCVS concerns investigation and disciplinary process.
- Celebrating the Diamond Jubilee (60th Anniversary) of the veterinary nursing profession with a programme of special events, webinars and podcasts.
- Developing a set of ground-breaking new accreditation standards and methodology for veterinary education, which was consulted on this year and will be instituted in 2023.
- Launching the Veterinary Graduate Development Programme (VetGDP) to provide learning and development support for new graduates in the places they work.
- Publishing the Diversity & Inclusion Group Strategy, setting out how we will work to help create veterinary professions where everyone can flourish and which have no place for discrimination.



- Developing our People Strategy, clearly laying out how we will develop our talent, diversity, leadership and culture, across the staff team, Council and committee members, examiners, assessors and all others who work on our behalf.

Clarity

The actions that are encompassed within this ambition are about ensuring clarity of purpose and that our internal and external stakeholders and service-users understand our role as both a regulator and a Royal College. It means becoming a proactive regulator that remains a step ahead, even in the face of constant change and uncertainty. We will listen widely, consult meaningfully, make confident decisions, then communicate with clarity, appreciating that the final outcome may not suit everyone.

Legislative reform

Developing a new legislative framework for veterinary regulation that will be clearer and more meaningful about our purpose, mission and remit, while better reflecting the veterinary professions of the 21st century, is a core component of the Clarity ambition.

The year 2021 began with us consulting the professions and public on recommendations for legislative reform that

had been developed over a number of years by the Legislation Working Party. This Working Party had carried out a root-and-branch review of the current legislation and developed a list of proposed future reforms in response. The consultation on the Working Party's recommendations started in November 2020 and members of the professions, the public and key stakeholder organisations were invited to comment on the proposals.

Concluding in April 2021, the consultation garnered 1,330 responses including those from veterinary surgeons, veterinary nurses, veterinary paraprofessionals, students, members of the public and veterinary corporations and organisations. Following analysis of these responses, the proposals were formally approved by RCVS Council at its June 2021 meeting, and were shared with the Secretary of State for Environment, Food & Rural Affairs (Defra) in August 2021. The Department responded positively to the plans and, as the year ended, our Public Affairs Team was implementing an outreach and engagement campaign with Members of Parliament, Peers and others to raise awareness of the proposed reforms amongst decision makers, and to garner their support for the recommendations.

Veterinary accreditation standards

In order to ensure we continue to develop robust standards

and approaches that are grounded in evidence, in 2021, a set of world-leading new standards and assessment methodology for veterinary education was approved by RCVS Council. The new standards were developed to ensure that the RCVS accreditation process takes a leading role in international best practice, to ensure it is effective in assuring the quality of veterinary education and to drive innovation and quality improvement. The standards and methodology had been drawn up by our Accreditation Review Working Party. Following a consultation in summer 2021, the new standards and methodology were adopted by Council that November, with a view to introducing them at the start of 2023.

Designed by the group to accommodate different models of curricula and delivery, the new standards will also enable flexibility whilst driving quality improvement. The methodology is more focused on assessing the outcomes for students than previous iterations, which were based more on inputs, and adopts a risk-based approach. A particularly notable change to the veterinary education standards, and something which was highlighted by members of the profession and educators via our Graduate Outcomes project as a required reform, is that there will be a much greater focus on clinical education in the 'general practice' context, which must now make up a certain proportion of vet students' studies.



“There will be a much greater focus on clinical education in the ‘general practice’ context, which must now make up a certain proportion of vet students’ studies.”

Our Education Department is now working with the veterinary schools on the bedding-in and implementation of the new standards and methodology.

Veterinary nursing standards

Another area of progress was on veterinary nursing education standards. In July, we published an updated set of standards that detail the professional values, knowledge, skills and behaviours that need to be met by those responsible for training student veterinary nurses (SVNs) following feedback from stakeholders. These updates included further guidance for educational institutions on how individual standards can be evidenced, and greater flexibility on how veterinary nursing education can be delivered.

In November 2021, we launched a consultation on a proposed new set of competences, skills and professional behaviours for newly-qualified veterinary nurses. The changes in the new set of requirements include: a greater understanding of the key considerations when deciding what can be delegated to a veterinary nurse and when to accept such delegation; an understanding of how to collaborate with the veterinary team on Quality Improvement (QI) activities; and a greater emphasis on making sure that veterinary nurses are looking after their health and wellbeing. Furthermore, the new set of requirements also clarified the wording of much of the guidance to make it easier to understand and removed a previous requirement for student veterinary nurses to have gained endoscopy experience.

The consultation ended shortly before Christmas and garnered over 1,000 responses, all of which fed into the new set of Day One Competences, Skills and Professional Behaviours.



Workforce issues

One of our actions under the Clarity ambition is to make sure we continue to scan the horizon for issues affecting the veterinary professions, ensuring we stay on top of what is happening within the profession, and seeing where we can play our part in mitigating any negative impacts.

During 2021, it became very clear that existing workforce shortages within the veterinary professions were becoming much more acute, with employers struggling to recruit staff and increasing vacancy rates. While we had been anticipating workforce issues for some time because of the UK leaving the European Union and the expected downward trend in the number of EU registrants applying to live and work in the UK that would ensue, it became clear that the two additional factors of the coronavirus pandemic and an increased demand for veterinary services, particularly from new pet owners, had contributed to a 'perfect storm'.

In response to the veterinary professions' growing concern about decreasing workforce numbers and increasing workload, in September 2021 we announced that we would be holding a major Workforce Summit that November, under the auspices of our ViVet innovation initiative, to look at creative solutions to the workforce issues. Prior to the main event in November, we held a series of online Insight

Sessions, open to all veterinary surgeons, veterinary nurses and practice managers, to allow them to share their views and experiences around recruitment, retention and return to work. The feedback gained from these sessions fed into the intended discussions at the Workforce Summit.

The event itself took place at the Royal College of Surgeons of England on Tuesday, 30 November and those attending were encouraged to use 'design thinking' to identify the issues and how they could be addressed, and then distilling these ideas into solutions that were viable, scalable and would impact both the professions and the public in a positive way. Delegates from across the veterinary sector attended the event, including practitioners, students and representatives of veterinary and veterinary nursing associations, government, employers, charities and veterinary and veterinary nursing educational establishments.

A full report of the day, as well as a follow-up action plan about how the RCVS and others will deliver on the identified actions, are published on www.rcvs.org.uk/publications.

Stakeholder outreach

Although the ongoing pandemic created some logistical difficulties throughout 2021, a continuing priority for the year was to develop greater outreach from the College to the professions, the public and other stakeholder groups, including a review of how we gain meaningful stakeholder input into our decision-making processes.

This included the establishment of a new role within our Communications Team focused on supporting outreach and engagement with student and newly-qualified vets and vet nurses, for whom we have already developed new video, web and written content to help demystify our role and explain our work. We also created the new role of Head of Insight & Engagement in January 2021 to better understand how to communicate with and support members of the professions and the public who use our services.

Furthermore, a proposal for how to improve engagement with the public, for example, to gain feedback about policy proposals and on communications messages, went to RCVS Council in January 2022 for discussion.

Compassion

This ambition is about ensuring our high standards continue to be met, while working in an empathetic way that respects all of our stakeholders and service-users as individuals. It recognises that a compassionate approach involves helping members of the veterinary team build the skills and knowledge they need to meet our standards, and that this is ultimately in the interests of animal health and welfare.

RCVS staff

We recognise that our vision to become a compassionate regulator starts with our people, and making sure they have the structures and training to ensure they, in turn, can help vets and nurses to meet the standards required in a compassionate way, and to take ownership and communicate clearly when things don't go to plan. Our People Team has led the way on this by organising training sessions in diversity & inclusion, mental health awareness, stress management, and dealing with difficult conversations, as well as keeping track of team morale and opinion via regular, anonymous feedback surveys.

Professional conduct and concerns investigation

As a regulator, we have a statutory duty to investigate all concerns raised with us about veterinary professionals that could constitute serious professional misconduct. As a compassionate regulator, however, we also recognise that this process can be very difficult and stressful for those who are subject to investigations, and that they may therefore need some support. This is why, in June 2021, we formally launched our Professional Conduct Investigation Support Service, a free and confidential listening and emotional support service for all veterinary surgeons and veterinary nurses going through the concerns investigation process. The service is delivered on our behalf by Vet Support using a team of volunteers trained to give emotional support, to help these veterinary professionals maintain their mental health and wellbeing.

In 2021, RCVS Council also approved a number of reforms to the RCVS disciplinary process, with an emphasis on making the process less stressful and time-consuming. One key reform, the implementation of which was approved by Council in November 2021, was the new Charter Case Protocol and Committee (these were the working titles at the time of publication). This will provide an alternative way to resolve suitable cases that meet a detailed set of criteria where, though they meet the threshold for referral to the Disciplinary Committee (DC), it is considered that the public interest can still be served without a full, public DC hearing. This reform represents our desire to find the right balance between upholding professional conduct standards, and protecting animal health and welfare and public confidence in the professions, while also being a compassionate regulator.

Another disciplinary reform that was approved for implementation in November 2021 was the restructuring of our concerns investigation process to more closely align them with regulatory best practice. This will phase out the Case Examiners Groups and replace them with Stage One Preliminary Investigation Committees, and introduce one consistent evidential standard throughout the process when determining if there's a realistic prospect of finding serious professional misconduct. It is hoped that these reforms will streamline and clarify the early stages of the concerns investigation process and could also, once sufficiently bedded in, potentially reduce the amount of time taken for a number of cases to be resolved.



“We were delighted that in a very short space of time almost 2,000 vets had signed up to the VetGDP Adviser training, ready to provide workplace support for the new cohort of veterinary graduates.”

In 2021, we also made headway with our review into our guidance around the definition of ‘under care’ and 24/7 emergency care following some Covid-related delays in 2020. In May we launched the second stage of the review process with a survey that sought the views and feedback of UK-based veterinary surgeons and veterinary nurses regarding the current guidance. The feedback received from the survey is now being used to help produce the final stage of the review process in which proposed changes to the *RCVS Code of Professional Conduct* and its supporting guidance is being put out for a full public consultation.

Mind Matters

Our Mind Matters Initiative (MMI) to support mental health has continued to deliver for the professions in terms of training, awareness raising, research and providing resources and signposting in a way that has adapted to the Covid-era. In doing so, MMI has recognised, and sought to mitigate, the additional pressures on mental health and wellbeing that have been brought about by the pandemic.

Projects launched by MMI this year include its successful series of free, online ‘Campfire Chats’, informal panel-based conversations about a wide range of topics related to veterinary mental health and wellbeing. There was also a series of webinars tackling topics such as chronic illness, attention deficit and hyperactivity disorder (ADHD) and

managing stress. Furthermore, a new app was launched called the MMI Kite App, with bitesize learning modules tailored specifically for the veterinary professions with the aim of improving mental health and wellbeing.

On the research front, MMI once again provided £20,000 for a veterinary mental health research project in 2021, this time, to a team from the University of Nottingham looking at how to identify and address stress factors for veterinary practitioners with autism. Mind Matters also conducted its own research via a survey with student and newly-qualified veterinary nurses, which aimed to find out what specific issues were affecting veterinary nurses and what projects and events could be tailored to them. The research revealed some worrying statistics around the incidence of bullying and incivility experienced or witnessed by veterinary nurses and, in early November, a Student Veterinary Nurse Wellbeing Discussion Forum was convened to further examine these issues and look at ways in which these behaviours can be challenged, as well as covering other issues such as chronic illness and discrimination.

The biennial MMI Research Symposium also took place virtually in November, convening veterinary mental health researchers from across the world – including the United States, the Netherlands and Hong Kong – to present their latest research. Full reports of the MMI Symposium and the Wellbeing Discussion Forum can be found on the Mind Matters website (www.vetmindmatters.org).

Keeping with the international theme, we also hosted and contributed to two Mind Matters International events in which delegates from across the globe discussed how the pandemic had affected the wellbeing of veterinary practitioners in their countries. A third Mind Matters International event was planned for spring 2022.

Learning culture

Doing our part to encourage a veterinary culture that is focused less on calling out mistakes and apportioning blame, and much more on reflecting on what has happened and what we can learn from it, has long been a strategic aim of ours, and a critical component in our drive to become a compassionate regulator.

In 2021 we undertook a wide range of activities that supported this aim, most notably the introduction of the Veterinary Graduate Development Programme (VetGDP). The programme works to ensure that new graduates are well-supported in the further development of their clinical and professional capabilities, resilience and confidence, and in establishing fulfilling careers as veterinary professionals. Crucially, the support for a graduate is provided directly in their workplace, by a trained VetGDP Adviser, whose role is to help them develop professionally, reduce anxiety and build lasting confidence.

The launch of the VetGDP started in April 2021 with the launch of the e-learning training for prospective VetGDP Advisers. This training covered topics specifically designed to engender a learning culture, such as how best to provide support to reach positive outcomes, goal-setting, mentoring and how to carry out progress-reviews. We were delighted that in a very short space of time almost 2,000 vets had signed up to the VetGDP Adviser training, ready to provide workplace support for the new cohort of veterinary graduates joining the profession in July 2021. All this was supported by an extensive communications and marketing campaign explaining the benefits of the VetGDP to the veterinary schools, to students and new graduates, and to the practices who would be employing the next generation of vets. In addition to the launch of the VetGDP, we continued to support the lifelong learning process amongst those who are established in the profession, encouraging veterinary surgeons and veterinary nurses to use the RCVS 1CPD app to plan, record and reflect on their continuing professional development (CPD). Again, this was supported by extensive communications and marketing, which used emails, webinars, videos and social media to highlight the benefits of the platform, as well as clarify what kind of activities can constitute CPD for members of the professions.

RCVS Academy

A key plank of our 'Learning Culture' remit is the establishment of an RCVS Academy to provide help for veterinary surgeons and veterinary nurses to meet the standards expected of them through the provision of online educational tools. 2021 saw this vision starting to take shape with the recruitment of key staff, the approval of plans and timescales, and the development of materials.

Diamond Jubilee

2021 was an important landmark year for the veterinary nursing profession as we celebrated its Diamond Jubilee – or 60th anniversary – as a profession with a range of RCVS-organised activities designed to highlight how far the profession had come and the promising future ahead. These activities, led by the Chair of VN Council, included webinars on the past, present and future of the profession, podcasts featuring interviews with prominent members of the profession and a special VN evening, which welcomed 150 newly-qualified vet nurses to the profession. The Diamond Jubilee year came at a particularly auspicious time for the profession as a whole, as this year was the first in which there were 20,000 veterinary nurses on the Register. We also launched a commemorative e-book celebrating the veterinary nursing profession with particular focus on the developments that have taken place since the Golden Jubilee in 2011.

Leadership

Finally, we continued to forge ahead with our Leadership project to promote concepts around the importance of everyday

leaders and leadership within the veterinary professions. This included the appointment of a new Leadership & Inclusion Manager to take this project forward. In early 2022 we launched a new Leadership Library providing free resources on delegation, inclusive leadership and dealing with difficult conversations.

Courage

Under this ambition we strive for the courage to take a leadership role within the professions, to ensure that the pervading culture is healthy, sustainable, inclusive, innovative and respectful and, through this, to develop confident veterinary professionals.

Diversity and inclusion

This year, we built on the conversations that happened across the world and within the veterinary professions throughout 2020 about diversity and inclusion. We considered how we could do more to lower barriers and tackle the marginalisation and discrimination that exist in the professions regarding race/ethnicity, disability, socio-economic status, sexuality, and gender identity.

Crucially, in February 2021, we published our Diversity & Inclusion Group (DIG) Strategy, setting out how we will work to help create veterinary professions where everyone can flourish and which have no place for discrimination. The Strategy itself has six work-streams looking at how we and our partner organisations that form the DIG can work to improve diversity and inclusion within all stages of the veterinary professions – from school-age children who may be considering a career in the veterinary professions, to engendering positive culture change for those already members of them.

As part of the DIG's strategic aims, a Black, Asian and Minority Ethnic (BAME) Student Working Group was established to look at several issues that were raised at a roundtable event hosted by the RCVS and Veterinary Schools Council. These included developing clear discrimination reporting structures for students on extra-mural studies (EMS) placements; developing and supporting existing BAME groups and role models within vet schools; developing specific support structures at vet schools for BAME students; and, developing guidance around wearing religious clothing within a clinical context.

Sustainability

With the United Nation's Climate Change Conference taking place in Glasgow in November 2021, this was a year in which there was much discussion and reflection on the role that the veterinary professions could play in mitigating the climate crisis by reducing carbon emissions and other pollutants. We played a leading role in this through the work of our Environment and Sustainability Working Party, which

was tasked with creating an internal environment and sustainability policy for the College, and looking at how sustainability could be encouraged in the wider sector through our regulatory and Royal College functions.

The Working Party determined that our voluntary practice accreditation scheme, the Practice Standards Scheme (PSS), was the ideal route for delivering its external sustainability goals. In October 2021, the Practice Standards Group started work with the Centre for Sustainable Healthcare – a consultancy that specialises in embedding sustainability within clinical practice – to help decide upon new sustainability requirements within the PSS, and then support RCVS-accredited practices to incorporate them into their work.

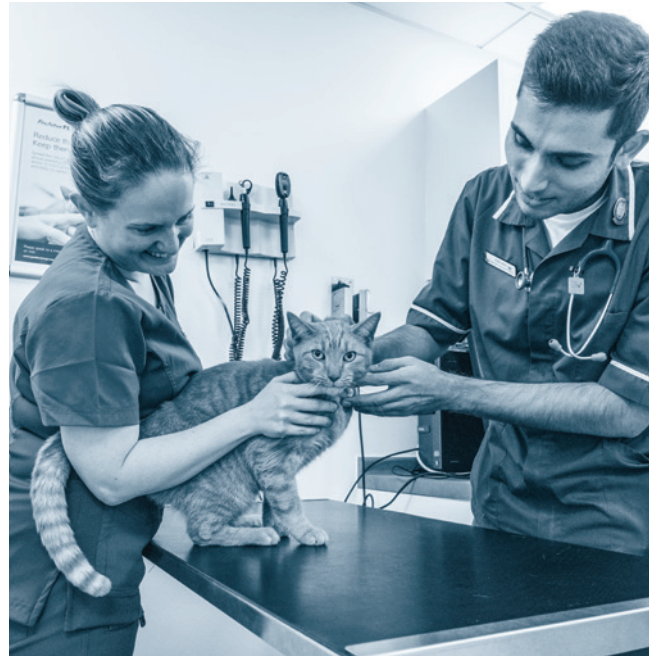
On Earth Day in April 2021, we also joined a number of other veterinary organisations in endorsing a series of pledges developed by the World Veterinary Association (WVA) on combating the global climate change emergency. We continued our membership of the UK Health Alliance on Climate Change, endorsing its work in raising awareness of climate change and how the health professions can do more to reduce their carbon footprint and mitigate against climate change. In line with these aims, RCVS Council agreed an amendment to our investment policy to divest from fossil fuel companies. Furthermore, our internal ‘Green Team’ developed an internal sustainability policy and has committed to our achieving the bronze award from the Investors in the Environment environmental accreditation scheme.

Fellowship

As per the Strategic Plan, this year saw the continued development of the RCVS Fellowship as a learned society that reflects the hugely varied achievements of the veterinary profession; encourages the advancement of standards; and, develops public awareness of veterinary medicine and science. Achievements this year included the rolling out of unconscious bias training for the Credential Panels to ensure that the Fellowship application process is as fair and robust as possible. We also held, for the first time, a whole week of virtual Fellowship-related events including presentations from current RCVS Fellows, student presentations and the formal welcome of 38 new Fellows – the majority of them women for the first time – to the Fellowship. In early 2022, we launched the first dedicated newsletter for the Fellowship, as well as an online discussion forum for Fellows.

Governance

As part of our Courage ambition, our Strategy outlines that we will carry out a review of how we reach consensus within the College and drive change within our leadership and governance structures. This work began this year with the beginning of our ‘Council culture’ project on how to improve trust and positive culture within RCVS Council. A series of working groups comprising Council members, VN Council



members and RCVS senior staff were set up, each of which focused on different areas for improvement. The areas each working group will concentrate on are: reviewing and updating the *Code of Conduct for Council and Committee Members*; how we can better understand and utilise the skills of Council, committee and senior staff members and encourage greater understanding and respect; how we can improve the election process to ensure greater clarity on the role and function of Council and encourage people to stand; how we can improve the induction and ongoing training for Council and committee members; and, how can we improve the visibility of Council and committee activity to the professions and the public.

These working groups will feed into a main steering group, which will produce a full set of proposals for RCVS Council to consider in the first half of 2022.

Confidence

This ambition concerns much of the ‘behind the scenes’ work of the RCVS – the incremental improvements to our infrastructure, policies and processes that don’t often get attention from the media or the professions at large, but which are integral to ensuring that we can function effectively and fulfil the remit of the Veterinary Surgeons Act and our Royal Charter.

People Strategy

Recognising that public and professional confidence in the RCVS requires having the right people in the right roles, we committed to putting in place a People Strategy to develop our talent, diversity, leadership and culture, across

the staff team, Council and committee members, examiners, assessors and all others who work on behalf of the College. In November 2021 we jointly launched our People and Diversity & Inclusion Plans, setting out how the RCVS would provide a positive and diverse working environment where all employees and colleagues were empowered to deliver their best performance and embrace new ways of working to support the professions. The People Plan, which was shared with all employees, is built around four pillars:

- **Talent:** committing to support and develop those employees and attracting the most suitable, values and experience-led people to roles.
- **Diversity:** strengthening the diversity of employees and colleagues in thinking, background and experience, to have a workforce that isn't just visibly diverse and to shape a truly inclusive workplace.
- **Leadership:** providing a leadership framework so employees and colleagues can see and are clear about progression routes through the organisation and can support them to gain the skills to help them personally grow and develop to be leaders of the future.
- **Culture:** building a culture that is fun, challenging, collaborative and progressive through dialogue, feedback and actions.

In addition to the main People Plan, the Diversity & Inclusion Plan set out concrete actions that we will undertake to make improvements in this area, including: mandatory staff training; promoting positive behaviours; developing policies and procedures around expected staff standards, behaviours and principles in relation to minority or marginalised groups; and, educating employees and colleagues to be courageous in times of challenge and to give feedback when conversations are inappropriate.

Other developments in our People Plan include new systems to help settle new employees into the organisation, new pay policy including salary benchmarking system, and a new policy to help support those working from home.

Furthermore, we also consolidated some of our 'Royal College' functions aimed at advancing the profession – for example, the Mind Matters Initiative, ViVet, diversity & inclusion and leadership - into a new Advancement of the Professions Directorate led by Angharad Belcher who joined the RCVS in January 2021.

Risk management

Identifying and monitoring risks, and taking actions to mitigate them, continued to be a priority for us throughout 2021, with the use of the Magique risk management platform for maintaining the organisational risk register and ensuring this register is regularly reviewed and updated. In addition, each Department now has its own risk register which is again

regularly reviewed by staff members and subject to scrutiny by the Senior Team and the Audit & Risk Committee.

In terms of mitigation, a regular programme of compulsory cyber-security training was rolled out for all members of staff and data was gathered regarding all our fraud prevention activities across the organisation. Hand-in-hand with this, 2021 also saw the ongoing review of our accounting and financial reporting systems to deliver greater transparency over how money is spent.

Facilities

In 2021, we saw the completion of the sale of Belgravia House, our headquarters for over 25 years, and an ongoing search for suitable new premises befitting staff needs and organisational aims. In January 2022 we announced that our purchase of new premises in 1-2 Hardwick Street, Clerkenwell, had been completed, and we will start to take some occupancy of our new building once refurbishment work is complete. In the meantime, a contract had been signed with flexible workspace provider WeWork for premises in central London with ongoing support for staff to be able to work from home.

Communications

Our Communications Team acts as an in-house agency providing support for the rest of the organisation in myriad ways including digital, design, social media, public and media relations, marketing, events, and outreach and engagement.

This year the Team recruited additional staff to bolster its marketing, digital, media relations and student engagement and outreach functions, as well building a new system to consolidate and guide the use of RCVS brand assets, style and language guidelines to ensure consistency across the organisation. Throughout 2021, the Department's Digital Team also focused on ensuring that our website in particular complied with the latest regulations on accessibility to minimise barriers and ensure its content can be used by as many people as possible.

Summary

While the coronavirus pandemic did continue to provide challenges and disruption to both us and the profession – with workforce issues then adding extra pressures on the profession – we managed to achieve an impressive body of work across a range of areas. In many respects, the pandemic was a spur to a lot of our priorities – for example, with the VetGDP to provide support to new veterinary graduates whose education may have been disrupted. While we can't predict what 2022 will throw at us, what is clear is that there will be lots of hard work but also exciting opportunities and ventures coming such as the RCVS Academy, our Council culture project and the 'under care' review. ■



Financial management policies

Reserves policy

Unrestricted reserves

The College holds unrestricted reserves to ensure its continuity, to enable its ability to discharge its statutory obligations, to cover liabilities that cannot be covered by insurance, to bridge cashflow problems and to fund long-term projects that cannot be quantified, such as introducing new legislation. The formula for calculating the total level of free reserves as is reviewed annually, and the method adopted by the RCVS continues to be considered appropriate. The free reserves target is six months of expenditure, a provision for building repairs and provision for risk cover.

The figure will change from year to year in line with levels of expenditure and the changing needs of the College. Based on current activity, the target level of reserves is £8.8m and the College currently exceeds this target.

At 31 December 2021, the College held total reserves, of £36m including investments at market value. This is higher than the reserves calculation, per the formula, by £27.2m. A proportion of the excess reserves have been used to purchase a new property after the year end and the balance is being retained to provide funds to refurbish the building, alongside other projects.

Designated funds

Designated funds are amounts set aside by Council for specific projects. The funds are expected to be used within three years of being designated.

Discretionary Fund

The Discretionary Fund is a designated reserve to provide for one-off projects and new initiatives not provided for in the annual budget and is subject to a detailed approval procedure. Expenditure is reported at each RCVS Council meeting. As at 31 December 2021, the value of the fund was £157,200 (£267,759 in 2020).

Project Fund

In 2016 and 2017, funds were designated for specific projects and this fund is the balance of expenditure not incurred by the year end. The projects in the fund are for the estates strategy, alternative dispute resolution, the new Professional Conduct IT system and the Mind Matters Initiative. As at 31 December 2021 the value of the fund was £284,434 (2020 £357,808).

Practice Standards Scheme

Practice Standards Scheme income can only be used to fund current or future scheme activities and is held as a designated fund.

Going concern

RCVS Council has assessed the ability of the College to continue as a going concern and has considered several factors when forming its conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included identifying issues affecting the budget and cashflow forecasts to 31 December 2023, a consideration of the key risks and the latest available valuation of the investment portfolio.

The principal source of income for the RCVS is membership fees from veterinary surgeons and nurses. This represents over 90% of the College's income. Forecasts for other income and expenditure have been reviewed.

After considering these factors, RCVS Council has concluded that the College has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on a going concern basis.

Risk management

The corporate Risk Register sets out potential risks and the mitigating processes we have in place. This Register is regularly reviewed by the College's Senior Team. The corporate Risk Register is also reviewed at RCVS Council and risks reported at Council will be raised and discussed at Audit and Risk Committee who provide further external oversight of risk. Furthermore, each Department has its own Departmental Risk Register, which is regularly reviewed and updated by staff within those teams.

Key risks in 2021, together with their mitigations, were:

- **Management of the Covid-19 pandemic:** as the pandemic entered its second year in 2021 with a UK-wide lockdown, followed later in the year by various levels of restrictions (often depending on nation within the UK as well as region) and ending with the appearance of the new omicron variant, the impact of Covid-19 continued to require careful management and assessment of risks. Risks posed by the pandemic included: the health risk to RCVS staff, Officers, RCVS and VN Councils members and other stakeholders; the risk that the veterinary professions were not aware of how the restrictions affected them and their responsibilities as professionals; and the risk that veterinary practices would struggle to operate in the restricted conditions. We mitigated these risks through a variety of measures. In terms of any health risks to RCVS staff and other stakeholders, infection prevention and control advice was provided; detailed and ongoing health & safety assessments were made of RCVS premises as well as any external venues where events were being held; and working from home continued to be encouraged with the necessary IT and HR support being put in place to aid this. As far as advice and mitigation to the professions was concerned, we continued to publish regular coronavirus focused updates, which was aided by monitoring the latest World Health Organisation and UK government advice to see what was relevant to the profession and updating our coronavirus guidance accordingly. Regular surveys were held with veterinary practices to assess the impact of the pandemic on veterinary businesses and other policies such as remote prescribing were brought in to allow veterinary practices to better function and provide a service when restrictions were active. Rapid decision-making was aided through the continuation of the Covid-19 Taskforce.
- **External threats and opportunities for the RCVS:** key external risks that were identified included new EU, UK or international legislation affecting the role of the College; contraction of the veterinary market leading to a reduction in membership numbers; uncontrolled adverse reactions to RCVS activities and decisions; and the College failing to keep up with digital disruption and market changes. There are myriad controls and mitigations on these risks including daily monitoring of the media and Parliament to stay aware of latest developments in terms of public relations and policy affecting the College and its work and responding, for example, to major news stories or government consultations, where appropriate. Projects such as Vet/VN Futures and the ViVet project, as well as regular horizon-scanning by the RCVS Senior Team and RCVS Council, help us to stay abreast of incoming and future issues and have internal discussions where relevant. Furthermore, we also regularly engage with stakeholders and conduct regular research to gauge the views on the professions and public on a variety of issues including, for example, legislative reform.
- **Impact of EU Exit on delivery of service:** identified risks associated with the UK leaving the EU include significant changes to legislation governing the movement of veterinary professionals, veterinary medicines and animal welfare; reduction in the number of EU professionals joining the RCVS Register due to changes to immigration and mutual recognition of professional qualifications; and not having a sufficient workforce particularly around the increase in veterinary certification work associated with the change in trade relations between the UK and EU. Mitigations have included working closely with government departments to monitor the potential impact of Brexit on the profession and public, bringing in changes to our Temporary Register to help boost the numbers working in veterinary certification, ongoing relations and collaboration with international partners in Europe and beyond, and launching our workforce project to look at how numbers of UK graduates and practising vets can be increased in the coming years.
- **Data breaches:** this risk relates to the release of confidential and/or private information to third parties in breach of data protection law and/or the College's own confidentiality policies. Actions taken to mitigate this risk include training for RCVS staff and RCVS/VN Councils members on data protection and confidentiality, the launch of a 'Council culture' project looking at how to improve trust and culture amongst Council and committee members, and the continued promotion of the Code of Conduct for Council and Committee members.
- **Cyber:** identified risks here include the impact of cyber-related activities on RCVS assets and infrastructure, for example, so-called 'distributed denial of service' attacks which could bring down the RCVS website, as well as ransomware and hacking attacks resulting from phishing emails and other techniques. Mitigations include

mandatory cyber-security awareness training for staff, ongoing reviews of our IT security systems, tech controls such as firewalls, regular backing up of IT systems, and process control.

The Organisational Risk Register sets out potential risks and the mitigating processes we have in place. This Register is regularly reviewed by the College's Senior Team, as well as being subject to external review via the Audit and Risk Committee.

Remuneration policy

In 2020, all staff salaries, including key management personnel of the Senior Team, were benchmarked against external criteria by an independent consultant, using various external benchmarking surveys, looking at the postholder's job description and evaluating by 'Market-premium' rates. In January, the Remuneration Subcommittee (comprising the Treasurer, President and two Vice-Presidents) agree any pay increases, effective from April of each year. Senior Team members are then asked to put forward recommendations that are considered by the CEO and People Director.

Responsibilities of RCVS Council statement

RCVS Council is responsible for preparing the Annual Report and Financial Statements in accordance with 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".

The financial statements for each financial year have to give a true and fair view of the state of affairs of the College and of the incoming resources and application of resources of the College for that period. In preparing these financial statements, RCVS Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and,
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the College will continue in business.

RCVS Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the provisions

of the constitutional documents and bye-laws. It is also responsible for safeguarding the assets of the College including taking reasonable steps for the prevention and detection of fraud and other irregularities.

RCVS Council is responsible for the maintenance and integrity of the College and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Investment powers and performance

The College has powers to invest monies in investments, securities or property. Limited powers of investment management have been given to the College's stockbroker Investec, which reports to the Finance & Resources Committee and also meets with the Treasurer. The investment objective is to achieve a balance between capital and income growth in a diversified portfolio of equities, bonds, cash and commercial property. UK equity exposure is mainly through direct companies, but trusts are also used for exposure to UK smaller companies, overseas equities and property.

In November 2021 Council agreed a new investment policy which includes investment powers, objectives, attitude to risk, amounts available to invest, authorities and reporting requirements. At the same meeting it was agreed that RCVS should divest from fossil fuels and the small holdings of these investment were sold in February 2022.

Performance in 2021 was measured against an agreed customised benchmark of holdings of 23% fixed interest, 40% UK equities, 25% overseas equities, 5% property, 5% infrastructure and 2% cash. The result for the year was a total return of 12.21%, compared to a benchmark return of 12.36%. ■

**Approved by RCVS Council
on 29 June 2022**



Niall Connell, Treasurer

Independent auditor's report to the members of the Royal College of Veterinary Surgeons

Opinion

We have audited the financial statements of the Royal College of Veterinary Surgeons for the year ended 31 December 2021, which comprise the Statement of Financial Activities, the Balance Sheet, Cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 December 2021 and of its surplus for the year then ended; and,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report.

Other information

The Council is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of the Council

As explained more fully in the Council members' responsibilities statement set out on page 27, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the responsibilities of the Council for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the College either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance

with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the College operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102), as adopted by the Council in the preparation of the financial statements of the College. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the College for fraud. The laws and regulations we considered in this context were the Veterinary Surgeons Act 1966, taxation legislation, employment legislation, General Data Protection Regulation (GDPR) and Health and safety legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Council and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Council about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the members of the College, in accordance with the bye-laws of the College as a body, in accordance with our agreed terms of engagement. Our audit work has been undertaken so that we might state to the College's members 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 College and the College's members as a body, for our audit work, for this report, or for the opinions we have formed. ■

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

Date 29th June 2022



Royal College of
Veterinary Surgeons
**Financial
Statements 2021**

Statement of Financial Activities for the year ended 31 December 2021

	Notes	2021			2020		
		General fund	Unrestricted Designated funds	Total funds	General fund	Unrestricted Designated funds	Total funds
Income							
Income from activities							
Veterinary surgeons	2	10,969,859		10,969,859	10,502,289		10,502,289
Veterinary nurses	3	2,113,000		2,113,000	1,776,672		1,776,672
RCVS examinations		292,110		292,110	162,920		162,920
Register of Veterinary Practice Premises		222,712		222,712	215,022		215,022
Practice Standards Scheme			912,148	912,148		959,666	959,666
Investment income		319,618		319,618	296,184		296,184
Income from other trading activities							
Publications and other income		52,909		52,909	14,424		14,424
Other income -gain on disposal of a tangible fixed asset		12,017,619		12,017,619			
Total income		25,987,827	912,148	26,899,975	12,967,511	959,666	13,927,177
Expenditure relating to activities							
Regulatory functions		9,015,110	299,721	9,314,831	7,928,372	252,586	8,180,958
Veterinary nursing		1,014,664		1,014,664	957,462		957,462
RCVS examinations		166,682		166,682	144,581		144,581
Register of Veterinary Practice Premises		150,014		150,014	170,077		170,077
Practice Standards Scheme			989,952	989,952		822,196	822,196
Investment management costs		41,610		41,610	49,816		49,816
Support for RCVS Knowledge and other trusts	4	997,808		997,808	765,664		765,664
Other expenditure – tax expense	9+14a	3,006,059		3,006,059	(27,917)		(27,917)
Total expenditure	6	14,391,947	1,289,673	15,681,620	9,988,055	1,074,782	11,062,837
Net operational income/(expenditure)		11,595,880	(377,525)	11,218,355	2,979,456	(115,116)	2,864,340
Net gains/(losses) on investments		1,243,407		1,243,407	215,386		215,386
Net income/(losses)		12,839,287	(377,525)	12,461,762	3,194,842	(115,116)	3,079,726
Transfers between funds		(115,789)	115,789	-	(68,633)	68,633	-
Net movement in funds		12,723,498	(261,736)	12,461,762	3,126,209	(46,483)	3,079,726
Reconciliation of funds							
Total funds brought forward	15	22,842,790	767,057	23,609,847	19,716,581	813,540	20,530,121
Total funds carried forward	15	35,566,288	505,321	36,071,609	22,842,790	767,057	23,609,847

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those above. Movements in funds are disclosed in note 15 to the financial statements.

The notes on pages 34 to 42 form part of these financial statements.

Balance sheet

31 December 2021

Fixed assets	Notes	2021 £		2020 £	
Tangible fixed assets	10		440,354		2,340,686
Investments	12		14,184,971		12,960,816
			14,625,325		15,301,502
Current assets					
Debtors	13	2,578,666		300,970	
Short-term deposits and cash at bank		27,483,190		13,504,144	
		30,061,856		13,805,114	
Liabilities					
Creditors: amounts falling due within one year	14	(7,515,549)		(4,683,805)	
Total assets less current liabilities			22,546,307		9,121,309
Net current assets less current liabilities			37,171,632		24,422,811
Creditors :Amounts falling due after more than one year					
Provisions for liabilities	14a		(1,100,023)		(812,964)
Net assets			36,071,609		23,609,847
Funds	15				
Designated funds			505,321		767,057
Unrestricted – general fund			35,566,288		22,842,790
Total funds			36,071,609		23,609,847

The financial statements were approved by RCVS Council June 2022 and authorised for issue 29 June 2022.



K Richards, President



N Connell, Treasurer

The notes on pages 34 to 42 form part of these financial statements.

Cashflow statement for the year ended 31 December 2021

	2021 £	2020 £
Net operational income	11,218,355	2,864,340
Depreciation of tangible assets	21,305	73,863
Investment income	(319,618)	(296,184)
Tax expense	3,006,059	(27,917)
Other income – gain on disposal of property	(12,017,619)	-
(Increase) in debtors	(2,277,696)	58,771
Increase in creditors	112,745	317,075
Net cash provided by (used in) from operating activities	(256,469)	2,989,948
Returns on investments and servicing of finance		
Investment income received	319,618	296,184
Realised gains/(losses)	1,125,596	(390,027)
Net on purchase of investments	(1,106,342)	439,947
Proceeds from sale of fixed asset property	13,896,643	-
Net cash provided by (used in) investing activities	14,235,515	346,104
Increase/(decrease) in cash in the period	13,979,046	3,336,052
Cash brought forward	13,504,144	10,168,092
Cash carried forward	27,483,190	13,504,144
Increase in cash	13,979,046	3,336,052

The notes on pages 34 to 42 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The College has adopted the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS 102), to provide a comparable framework with other organisations. The financial statements have been prepared in accordance with FRS 102 and the Statement of Recommended Practice: Accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011, except that the Statement of Financial Activities headings that have been adapted to give prominence to headings more appropriate to the College.

RCVS Council has assessed the ability of the College to continue as a going concern and has considered several factors when forming its conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included looking at the impact on the accounts for 2022, identifying issues affecting the budget and cashflow forecasts to 31 December 2023, a consideration of the key risks and the latest available valuation of the investment portfolio.

The Covid-19 pandemic did not have a significant impact on the College's finances. The principal source of income for the RCVS is membership fees from veterinary surgeons and nurses. This represents over 90% of the College's income. Whilst a wider range of options for payment of membership fees are now available, which may impact the cashflow profile, overall income levels are not expected to be significantly impacted. In the current environment, forecasts for other income and expenditure have been reviewed and whilst examinations are cancelled in the short term, together with events, this represents a much smaller element of overall income.

After considering these factors, RCVS Council has concluded that the College has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on a going concern basis.

b) Income

The fee year for veterinary surgeons, the Practice Standards Scheme and the Register of Veterinary Practice Premises runs from 1 April to 31 March. Fees are apportioned over the

calendar year, with fees received for the three months after the end of the calendar year included in deferred income in creditors. The veterinary nurses' fee year runs from 1 November to 31 October and ten months' income received in the calendar year is included in deferred income in creditors.

Registration fees are recognised when received, reflecting the timing of the service.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due, which is normally upon notification by our investment advisor.

Legacy income is accounted for on the date probate is obtained, when it can be measured reliably and receipt is probable.

c) Expenditure

All expenditure is accounted for on an accruals basis. A provision is recognised when we have a present obligation (legal or constructive) as a result of a past event: it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate. No provision is made for avoidable costs to be incurred in future periods where such costs arise as a result of a disciplinary matter in hand at the period end.

Direct expenditure, including staff costs, is allocated to the applicable expenditure headings. General management, overheads (support costs) and governance costs have been allocated on the basis of headcount.

Governance costs are the costs associated with the governance of the College and associated with the constitutional requirements. These costs will normally include internal and external audit, legal advice for Council and costs associated with constitutional and statutory requirements, for example, the cost of Council meetings and preparing statutory accounts.

Included within governance costs are any costs associated with the strategic, as opposed to day-to-day, management of the College's activities. These costs include the cost of employees involved in meetings with Council and the cost of any administrative support provided to Council members. For more information, see note 5.

d) Tangible fixed assets

Assets which cost in excess of £10,000 and with an expected useful life exceeding one year are capitalised, except for computer equipment and related consultancy costs which are written off in the year of purchase.

Freehold and leasehold buildings	2% of cost
Fixtures and fittings	10–25% of cost

e) Investments

Investments are included on the balance sheet at fair value at the end of the financial period. Net gains and losses are shown in the Statement of Financial Activities in the year in which they arise and are based on brought forward values. The cash in the portfolio forms part of the long-term investments and arose due to the timing effect of managing the portfolio. Therefore it has not been classified as part of the cash balances for the cash flow statement.

f) Taxation

Income tax deducted at source from investment income is included in the income figures.

The College is treated as a mutual organisation and is therefore taxed only on outside sources of income. Historically, this has been investment income.

Current tax for the College, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The College is able to offset tax liabilities against gift aid payments to RCVS Knowledge and other trusts.

Deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date where the transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date and those obligations are expected to crystallise. Timing differences are differences between the College's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. A Prior Year Adjustment has been included to recognise the Deferred Tax Liability for unrecognised gains on investments.

g) Pension contributions

Contributions in respect of defined contribution schemes are charged to the statement of financial activities in the year payable.

h) Financial instruments

Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provision of

the instruments. All financial assets and liabilities are initially recognised at their settlement value.

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Short term investments (cash equivalents) are cash on deposit, not part of the long-term resources and considered a liquid asset as they have a maturity date of three months or less.

Cash at bank includes cash and short-term highly liquid investments with a short maturity date of three months or less from the date of acquisition.

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

i) Critical accounting judgements and key sources of estimated uncertainty

In the application of the College's accounting policies, described above, the Council is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

RCVS Council does not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure.

j) Fund accounting

The RCVS holds unrestricted and designated funds. Funds may be designated by Council for specific purposes as described in note 15.

k) Heritage assets

No heritage assets have been purchased or disposed of during the last five years. The RCVS occasionally receives donated heritage assets, including in this accounting period, but none of the donated items received over the last five years are deemed to have an individual value greater than £1,000. No impairment in the value of the College's heritage assets has been recognised in either the current or previous four reporting periods.

No value has been attributed to the heritage assets of the RCVS in the balance sheet on the grounds that there is no reliable method of establishing historic cost information for these artefacts and that the costs of valuation would be disproportionate to the benefit of the resultant information. ■

2. Income from veterinary surgeons (including Specialists and Advanced Practitioners)

	2021 £	2020 £
Annual retention fees	10,392,587	9,882,406
Registration fees	302,811	380,653
Restoration fees	83,054	36,739
Fellowship annual fee	22,487	18,993
Specialist applications and fees	62,395	75,609
Advanced Practitioner applications and fees	106,525	107,889
Total	10,969,859	10,502,289

3. Income from veterinary nurses

	2021 £	2020 £
Student enrolment	428,114	364,765
Examinations	23,916	20,307
Annual retention fees	1,311,413	1,239,471
Registration fees	267,864	113,186
Restoration fees	20,152	13,972
Other	61,541	24,971
Total	2,113,000	1,776,672

4. Support for RCVS Knowledge and other trusts*

	2021 £	2020 £
Payments to RCVS Knowledge	445,489	440,319
Reallocation of support costs to RCVS Knowledge	448,319	225,345
	893,808	665,664
Payments to other trusts	104,000	100,000
Total	997,808	765,664

*see note 16 Related parties.

5. Governance costs and Council and committee members' expenses

	2021 £	2020 £
Council and committee members' expenses	345,941	437,320
Audit	30,190	29,700
Staff costs	246,415	228,160
Total	622,546	695,180

Council and committee members' expenses relate to costs incurred attending meetings, excluding the costs of attending Preliminary Investigation, Disciplinary and Advisory/Standards Committees (these are included in regulatory costs). Payments are made for travel and subsistence and a financial loss payment to employers or practices. The total number paid was 49 (2020 – 49). The RCVS takes out indemnity insurance. The cover is taken out on behalf of all employees and all those who act on behalf of the College. As such the costs cannot reasonably be broken down between the different categories covered.

The allocation of governance costs to activities is shown in note 6.

6. Total resources expenditure 2021

	Direct costs £	Staff costs £	Reallocation support and governance costs £	2021 Total £
Regulatory functions	3,584,166	3,824,413	1,906,252	9,314,831
Veterinary nursing	182,294	585,403	246,967	1,014,664
RCVS examination costs	91,995	45,015	29,672	166,682
Register of Veterinary Practice Premises	493	90,176	59,345	150,014
Practice Standards Scheme	55,589	654,862	279,501	989,952
Investment management costs	41,610	-	-	41,610
Support for RCVS Knowledge and other trusts	552,319	-	445,489	997,808
Other expenditure – tax expense	3,006,059	-	-	3,006,059
	7,514,525	5,199,869	2,967,226	15,681,620
Governance costs	376,131	246,416	(622,547)	-
Support costs	1,266,306	1,078,373	(2,344,679)	-
Total expenditure	9,156,962	6,524,658	-	15,681,620

The methods and principles for allocation and apportionment of costs are included in the accounting policies on pages 34 and 35.

	Direct costs £	Staff costs £	Reallocation support and governance costs £	2020 Total £
Regulatory functions	3,177,008	3,429,637	1,574,313	8,180,958
Veterinary nursing	145,778	530,593	281,091	957,462
RCVS examination costs	76,871	42,997	24,713	144,581
Register of Veterinary Practice Premises	453	72,149	97,475	170,077
Practice Standards Scheme	79,252	517,281	225,663	822,196
Investment management costs	49,816	-	-	49,816
Support for RCVS Knowledge and other trusts	540,319	-	225,345	765,664
	4,069,497	4,592,657	2,428,600	11,090,754
Governance costs	467,020	228,160	(695,180)	-
Support costs	749,715	983,705	(1,733,420)	-
Total expenditure	5,286,232	5,804,522	-	11,090,754

7. Net income for the year

This is stated after charging:		
	2021	2020
	£	£
Depreciation	21,305	73,863
Auditor's remuneration:		
Audit	30,600	29,700
Other services (taxation, risk systems)	23,376	10,037

8. Staff costs and numbers

Staff costs were as follows:		
	2021	2020
	£	£
Salaries and wages	5,567,922	4,910,416
Social security costs	503,434	469,152
Pension contributions	453,302	424,954
Total	6,524,658	5,804,522

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2021	2021	2020	2020
	No. full-time	Headcount	No. full-time	Headcount
	equivalents		equivalents	
Regulatory functions	62	64	59	63
Governance	3	3	3	3
Veterinary nursing	8	8	7	8
RCVS examination costs	1	1	1	1
Practice Standards Scheme	9	27	6	27
Register of Veterinary Practice Premises	2	3	2	3
Support	18	19	18	18
Total	103	125	96	123

Staff earning over £60K only (including employee benefits, excluding pension)	2021	2020
£60,001 – £70,000	7	6
£70,001 – £80,000	4	2
£80,001 – £90,000	2	2
£90,001 – £100,000	2	3
£100,001 – £110,000	1	0
£120,001 – £130,000	1	1
£150,001 – £160,000	1	-

The RCVS considers its key management personnel to be the Senior Team named on page 4. The total employment benefits, including employer national insurance and employer pension contributions, of the key management personnel were £1,098,534 (2020 – £977,895). Details of the remuneration policy are on page 27.

In 2021 there were redundancy payments and settlement agreements amounting to £82,203 (2020 – £3,988).

9. Taxation

A Capital Gains Tax charge of £2.719m is expected to arise relating to the sale of Belgravia House and investments in 2021 (2020 – nil) and has been fully provided for at the year end. The deferred tax liability recognised in the year is at note 14a.

10. Tangible fixed assets

Cost	Property £	Fixtures and fittings £	Total £
At 1 January 2021	3,055,027	1,247,525	4,302,552
Additions	-	-	-
Disposals	(2,387,737)	(1,247,525)	(3,635,262)
At 31 December 2021	667,290	-	667,290
Depreciation			
At the start of the year	714,341	1,247,525	1,961,866
Charge for the year	21,305	-	21,305
Disposals	(508,710)	(1,247,525)	(1,756,235)
At the end of the year	226,936	-	226,936
Net book value			
At the end of the year	440,354	-	440,354
At the start of the year	2,340,686	-	2,340,686

The College disposed of its headquarters, Belgravia House, during the year and entered into a sale and leaseback agreement on the property.

11. Commitments under operating leases

At 31st December 2021, RCVS had total minimum lease commitments under non-cancellable operating leases as follows:

	2021 Land and buildings	2020 Land and buildings	2021 Other	2020 Other
Within one year	177,600.00	-	-	-
Between one and five years	-	-	-	-
Over five years	-	-	-	-
	177,600.00	-	-	-

These lease commitments relate to the sale and leaseback agreement on the headquarters, Belgravia House.

12. Investments

	2021 £	2020 £
Fair value at the start of the year	12,808,816	12,682,512
Additions at cost	2,520,434	3,008,973
Disposals at cost	(2,607,520)	(£3,098,055)
Net gains on revaluation	1,243,407	215,386
	13,965,137	12,808,816
Cash balance	219,834	152,000
Fair value at the end of the year	14,184,971	12,960,816
Historic cost at the end of the year	9,784,880	8,682,061

The portfolio consists of the following:	Fair value 2021 £	Per cent of 2021 portfolio	Fair value 2020 £	Per cent of 2020 portfolio
UK equities	4,599,051	32.93%	4,537,305	35.42%
Overseas equities	5,693,302	40.77%	4,812,653	37.57%
UK fixed income	1,474,093	10.56%	1,854,619	14.48%
Overseas fixed income	683,302	4.89%	513,504	4.01%
Property	434,977	3.11%	219,896	1.72%
Alternative assets	1,080,413	7.74%	870,839	6.80%
Total (excluding cash)	13,965,138	100.00%	12,808,816	100.00%

13. Debtors: amounts falling due within one year

	2021 £	2020 £
RCVS Knowledge	53,581	15,203
Prepayments and other debtors	475,085	285,767
Deposit for purchase of property*	2,050,000	-
	2,578,666	300,970

*see note 18.

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	509,459	400,186
Other creditors	96,321	183,984
Accruals	234,748	265,654
Corporation tax	2,719,000	-
Deferred income	3,956,021	3,833,981
	7,515,549	4,683,805

Deferred income	2021 £	2020 £
Brought forward	3,833,981	3,558,668
Released in the year	(3,833,981)	(3,558,668)
Deferred in the year	3,956,021	3,833,981
	3,956,021	3,833,981

14a. Deferred tax

Deferred tax note	2021 £	2020 £
Opening balance (as at 1 January)	812,964	840,881
Charge/(credit) for the year	287,059	(27,917)
Closing balance (as at 31 Dec 2021)	1,100,023	812,964

15. Movements in funds

	Balance as at 01.1.21 £	Movements in funds during the year				Balance as at 31.12.21 £
		Income £	Expenditure £	Gains in investments £	Transfer £	
Unrestricted funds						
Designated funds						
Discretionary Fund	267,759	-	(76,348)	-	(34,211)	157,200
Project Fund	357,808	-	(223,373)	-	150,000	284,434
Practice Standards Scheme	141,490	912,148	(989,952)	-	-	63,686
Total designated funds	767,057	912,148	(1,289,673)	-	115,789	505,321
General funds	22,842,790	25,987,823	(14,391,947)	1,243,411	(115,789)	35,566,288
Total unrestricted funds	23,609,847	26,899,971	(15,681,620)	1,243,411	-	36,071,609

15. Movements in funds (continued)

	Balance as at 01.1.20 £	Movements in funds during the year				Balance as at 31.12.20 £
		Income £	Expenditure £	Gains in investments £	Transfer £	
Unrestricted funds						
Designated funds						
Discretionary Fund	399,978	-	(50,852)	-	(81,367)	267,759
Project Fund	409,541	-	(201,733)	-	150,000	357,808
Practice Standards Scheme	4,021	959,666	(822,197)	-	-	141,490
Total designated funds	813,540	959,666	(1,074,782)	-	68,633	767,057
General funds	19,716,581	13,182,897	(9,988,055)	-	(68,633)	22,842,790
Total unrestricted funds	20,530,121	14,142,563	(11,062,837)	-	-	23,609,847

Designated Funds

Designated funds are backed by cash reserves.

Discretionary Fund

The Discretionary Fund provides for one-off projects and new initiatives not provided for in the annual budget.

Project Fund

This fund is one balance of specific projects provided for in the annual budget but where expenditure has not been incurred by the year end.

General Funds

The College holds reserves to ensure its continuity, to enable its ability to discharge its statutory obligations, to cover liabilities that cannot be covered by insurance, to bridge cash flow problems and to fund long-term projects which cannot be quantified, such as introducing new legislation.

16. Related parties

RCVS Charitable Trust ("RCVS Knowledge"), is an independent charity, registered in the UK (charity number:230886) that has a close relationship with the College, which is its major funder and provides a range of services, including the use of the College premises. Total donations of £548,319 (2020: £440,319) were made to RCVS Knowledge in the period. Support costs of £445,489 (2020 £225,345) were gifted to RCVS Knowledge in the period. £53,581 (2020: £15,203) remains outstanding from RCVS Knowledge at the year end. All transactions were made at arm's length. There were no other related party transactions in the year.

Four of the ten RCVS Knowledge Trustees are RCVS Council members (see page 12). One member of RCVS Council is a trustee of the Veterinary Benevolent Fund (Vetlife), to which RCVS made a donation in 2021.

17. Contingent Liabilities


At the year end, there was a contingent liability of £2.8m relating to a potential VAT charge on the sale of Belgravia House.

18. Post balance Sheet Events

In January 2022, the College purchased a new property, 1-2 Hardwick Street, Clerkenwell, London, at a cost of £20.5m which will become its new headquarters in 2023.

In February 2022, the College entered into a new rental agreement for temporary office space at WeWork in Chancery Lane.

In March 2022, the College terminated its leaseback agreement on the Belgravia House property. ■



Royal College of
Veterinary Surgeons
**Annual Report &
Financial Statements**
2021
