
Royal College of
Veterinary Surgeons
**Annual Report
& Financial
Statements 2015**



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Reference and administrative details: Officers and professional advisers

Council members

Elected members

Christopher Barker MRCVS
David Bartram FRCVS
Amanda Boag MRCVS (Treasurer)
David Catlow MRCVS
Niall Connell MRCVS
Sheila Crispin FRCVS (To 10.7.15)
Jerry Davies MRCVS
Joanna Dyer MRCVS (From 10.7.15)
Mark Elliott MRCVS (To 10.7.15)
Chris Gray MRCVS
Mandisa Greene MRCVS
Tim Greet MRCVS (From 10.7.15)
Lynne Hill MRCVS
Peter Jinman MRCVS
Barry Johnson MRCVS
Stephen May FRCVS
Jacqui Molyneux MRCVS
Bob Moore MRCVS (To 10.7.15)
Kate Richards MRCVS (From 10.7.15)
Peter Robinson MRCVS (From 10.7.15)
Susan Paterson MRCVS
Neil Smith MRCVS (Vice-President to 10.7.15)
Richard Stephenson MRCVS
Christopher Sturgess MRCVS
Sandy Trees MRCVS (To 10.7.15)
Chris Tufnell MRCVS (Vice-President from 10.7.15)
Bradley Viner MRCVS (Vice-President to 10.7.15; President from 10.7.15)
Thomas Witte MRCVS

Privy Council-appointed members

Richard Davis
Nigel Gibbens MRCVS
Rachel Jennings
Judith Webb (To 10.7.15)

University-appointed members

Elaine Acaster
David Argyle MRCVS
Malcolm Bennett MRCVS (To 10.7.15)
Karen Braithwaite
Noreen Burrows (To 10.7.15)
Ewan Cameron MRCVS
Susan Dawson MRCVS
Gary England FRCVS
Michael Herrtage MRCVS
Douglas Hutchison MRCVS (From 10.7.15)
Andrea Jeffery RVN
Timothy King MRCVS
Joanna Price MRCVS
Stuart Reid MRCVS (President to 10.7.15; Vice-President from 10.7.15)
Kieron Salmon MRCVS (From 10.7.15)
James Wood MRCVS

Senior Team

Nick Stace
Gordon Hockey
Freda Andrews
Julie Dugmore
Lesley Evans
Eleanor Ferguson
Lizzie Lockett
Corrie McCann
Christine Warman
Chief Executive and Secretary
Registrar and Legal Services
Director (To 11.3.16)
Education Director (To 2.4.15)
Head of Veterinary Nursing
Human Resources Director
Head of Professional Conduct &
Acting Registrar (From 11.3.16)
Strategic Communications Director
Operations Director
Head of Education

Audit and Risk Committee

Elizabeth Butler
Richard Davis
Lynne Hill MRCVS (To 10.7.15)
David Hughes
Judith Rutherford
Neil Smith (From 10.7.15)

Head office

Belgravia House
62-64 Horseferry Road
London
SW1P 2AF

Bankers

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

Solicitors

Penningtons Manches LLP
Abacus House
33 Gutter Lane
London
EC2V 8AR

Auditor

Deloitte LLP
Chartered Accountants and registered Auditor
2 New Street Square
London
EC4A 3BZ

Looking to the horizon: a message from the President and CEO

This has been the middle year of our three-year Strategic Plan (2014-6) and so our focus has been heads down, and getting on with the job. With our new Charter coming into force on 17 February 2015, the stage was set for us to push on with our programme of reform of the College, and to continue to set, uphold and advance the standards for the profession. And it's now professions, in fact, as the new Charter confirmed veterinary nurses as fully regulated professionals in their own right, and associate members of the College.

With our eyes firmly focused on delivery, we have trialled an alternative dispute resolution service, launched our new Practice Standards Scheme and completed an upgrade of our core database system. You can read more about these, and other activities, on pages 10-15.

We have also taken the opportunity to look to the horizon, specifically with our Vet Futures project via which, together with the British Veterinary Association (BVA), we aim to help the profession take charge of its future. Our time-line for the project in terms of 'future' has been 2030 – three full cycles of veterinary students – and our report, launched in November, covers some crucial issues, including education, business, regulation, animal health and welfare, and careers. The report goes to the heart of what it is to be a veterinary surgeon in a world that is changing rapidly in terms of technology, the public's perception of professionals and knowledge management. An action plan to take the profession forward will be launched in July 2016, alongside a companion plan from the veterinary nursing profession.

Collaboration has been key this year. Our Charter would not have come into being without the support of the whole veterinary profession. Meanwhile the Vet Futures project has been a fantastic example of ourselves, as regulator and Royal College, working closely with the BVA, as representative body. Being clear on our respective roles, recognising difference and

embracing common goals has enabled us to be ambitious, and deliver a project that has engaged veterinary surgeons from all corners of the profession.

Our mental health programme, the Mind Matters Initiative, is also a good example of collaboration: the whole profession has come together to support activities that, sadly, affect all members of the veterinary team.

Meanwhile it is the strength of our foundations that has enabled us to build these more ambitious projects. Without robust tools such as a good IT system, project protocols, budget management and a Risk Register, we would not have the confidence to look up from the day-to-day work and consider the bigger picture.

Finally, it is only through the hard work of all who support Belgravia House that we can continue to serve the profession, the public and animal health and welfare: Council members, the College staff team and the very many individuals who support us by acting as examiners, assessors, and committee and subcommittee members. A heartfelt 'thank you' to you all.



A handwritten signature of Bradley Viner.

Bradley Viner
President



A handwritten signature of Nick Stace.

Nick Stace
CEO

Report to RCVS members

The Council presents its report and the audited financial statements of the RCVS for the year ended 31 December 2015. Reference and administrative information set out on page 4 forms part of this report.

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. In 2013, the College decided to adopt the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), to provide a comparable framework with other organisations. This year's financial statements have been prepared in accordance with 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. The impact of the transition is described in note 1 to the financial statements.

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 has been 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 new 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 which 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.

New 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 the 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 preparation for the new Charter coming into operation the RCVS Council in November 2014 made rules and a protocol which preserve some of the content of the former bye-laws.

RCVS Council

The Veterinary Surgeons Act determines the composition of the RCVS Council. There are currently 41 members on RCVS Council: 24 elected members (all veterinary surgeons), two members appointed by each university with a veterinary school (Bristol, Cambridge, Edinburgh, Glasgow, Liverpool, London and Nottingham), only one of which must be an MRCVS (currently nine MsRCVS, one RVN and four lay members), and four are appointed by the Privy Council (currently one MRCVS and two lay members, with a vacancy not yet filled due to the ongoing Governance review).

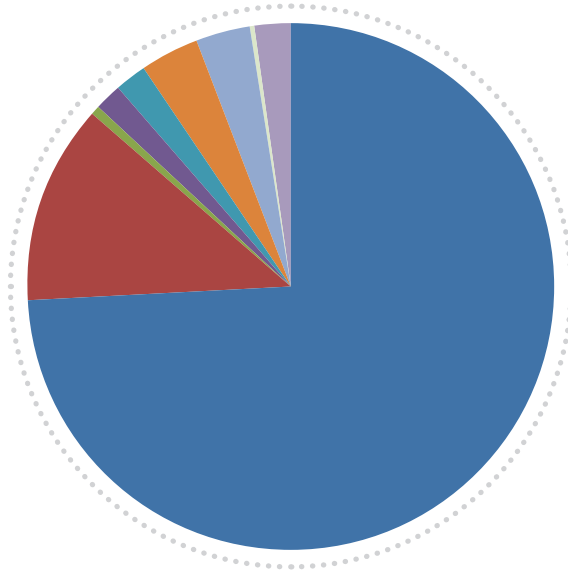
Election and induction of Council members

Every year, the terms of office for six elected members of Council end/begin at the Annual General Meeting. The election process starts in early October of the preceding year, when the retiring members eligible for re-election, as well as the veterinary press, are notified of the details. Only veterinary surgeons on the RCVS Register can stand for election.

Voting papers are distributed in March to 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). The voting papers are returned to the Electoral Reform Services for collating and secure storage for six months, after which time they are destroyed. In recent years, the number of returned papers has averaged at 16%. Online voting is now available to members.

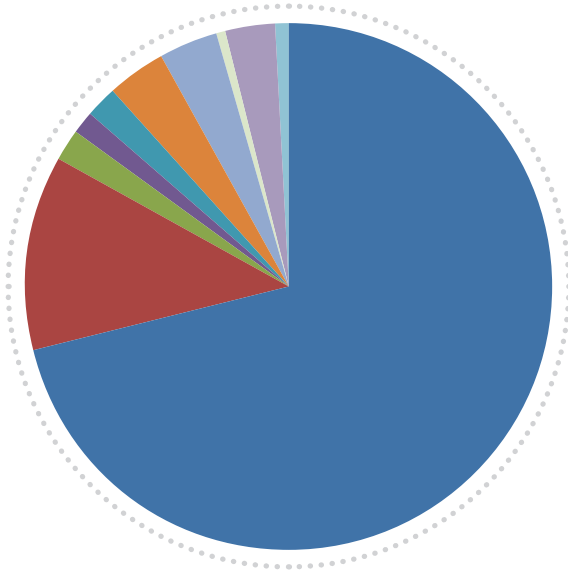
A Council member's period of office is usually four years. Newly appointed members receive an induction with the Executive Office and Senior Team members. Council members' expenses reclaimed from the College are set out in note 5 to the accounts.

Income 2015



● Veterinary surgeons	£7,048,476
● Veterinary nurses	£1,177,517
● RCVS Awarding Body	£29,060
● RCVS examination fees	£165,790
● Register of Veterinary Practice Premises	£192,410
● Practice Standards Scheme	£347,837
● Investment	£312,877
● Publications and other income	£16,113
● Legacy	£203,734

Income 2014



● Veterinary surgeons	£6,640,705
● Veterinary nurses	£1,121,412
● RCVS Awarding Body	£181,731
● RCVS examination fees	£126,029
● Register of Veterinary Practice Premises	£186,010
● Practice Standards Scheme	£338,992
● Investment	£342,585
● Publications and other income	£51,189
● Legacy	£282,888
● Disciplinary costs recovered	£59,061

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 four statutory committees are:

- the Preliminary Investigation Committee (PIC)
- the Veterinary Nurse Preliminary Investigation Committee (VN PIC)
- the Disciplinary Committee (DC)
- the Veterinary Nurse Disciplinary Committee (VN DC)

The main standing committees are:

- the Audit and Risk Committee
- the Education Committee
- the Standards Committee (formerly known as Advisory Committee)
- the Veterinary Nurses Council

The Audit and Risk Committee supports the Council by reviewing the comprehensiveness and reliability of

assurances and internal controls in meeting the Council's oversight responsibilities.

The Veterinary Nurses Council has overall responsibility for all matters concerning veterinary nurse training, post-qualification awards and the registration of qualified veterinary nurses.

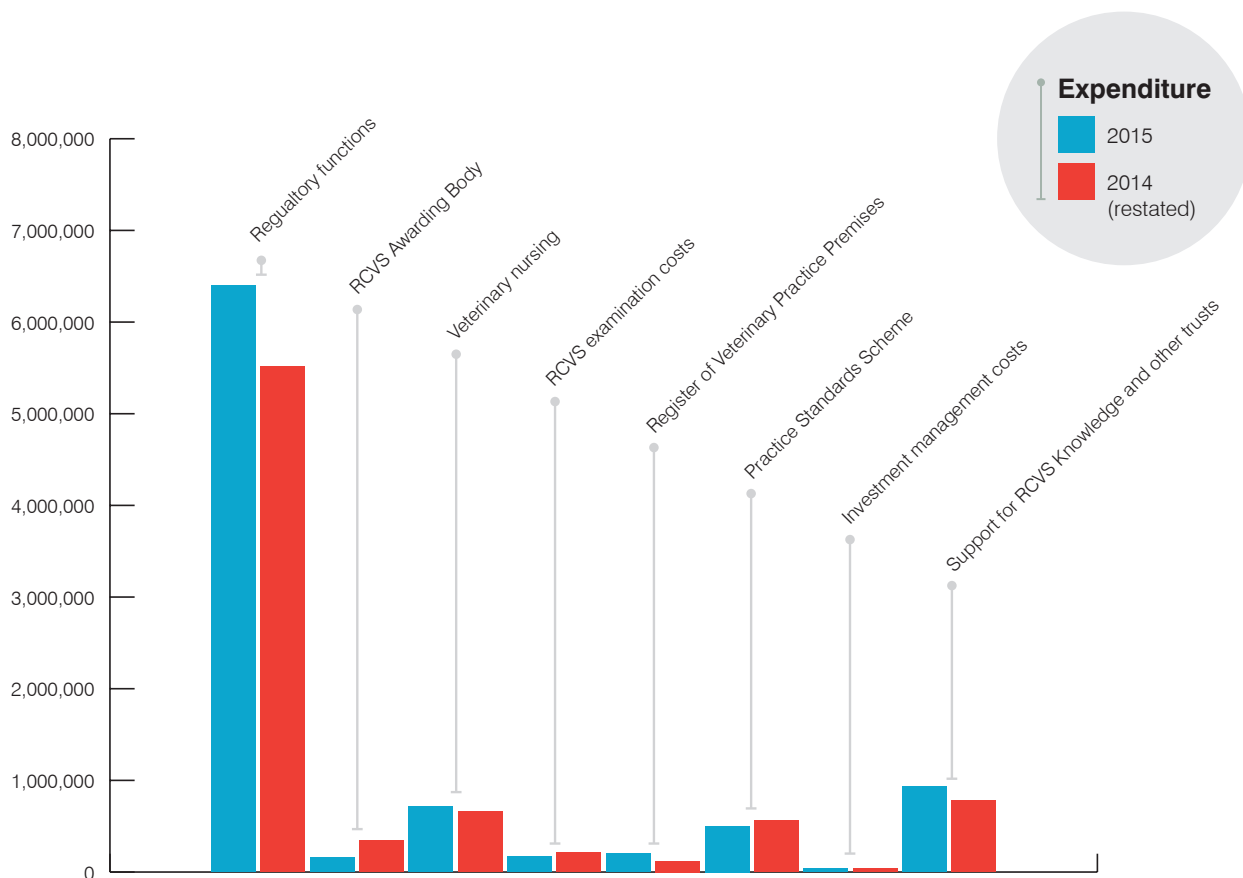
Operational Board

The Operational Board oversees the management of all College business, governance and resources. The Operational Board reports to RCVS Council.

Senior Team

On a day-to-day basis the operations of the College are carried out by the Senior Team, under the direction of the Chief Executive & Secretary. The Senior Team comprises the following post-holders:

- Chief Executive & Secretary
- Legal Services Director & Registrar
- Operations Director



- Education Director (to 2.4.15),
- Head of Education (from 2.4.15)
- Strategic Communications Director
- Head of Veterinary Nursing (from 2.4.15)
- Head of Professional Conduct (from 1.1.16)
- Human Resources Director
- Executive Director of RCVS Knowledge (to 18.1.16)

They are responsible for the following:

- communicating the values and culture set by Council;
- setting the work programme and ensuring that it is implemented;
- providing adequate support to the Council and Operational Board in making strategic decisions; and,
- hiring staff (other than members of the Senior Team).

The Chief Executive and Registrar are appointed by Council, the other Senior Team members are appointed by the Chief Executive.

Financial review

The main activities of the College are to:

- maintain the Register of Veterinary Surgeons;
- supervise the undergraduate education of veterinary students in the UK and advise on the recognition of UK veterinary degrees;
- recognise certain veterinary qualifications awarded

- outside the EU;
- supervise the professional conduct of veterinary surgeons; and,
- keep a Register of Veterinary Nurses (the Veterinary Nurses Council is required to set standards for their education, training and conduct).

The main sources of income are the annual retention fees from veterinary surgeons and veterinary nurses.

The College's results for the year are shown in the Statement of Financial Activities (SOFA). Total incoming resources for 2015 were £9.49m (in 2014, £9.33m).

Expenditure for 2015 was £9.17m (in 2014, £8.24m). The increase in costs is due to higher Disciplinary and Preliminary Investigation costs (up by £523k), expenditure on Vet Futures, a new initiative (£100k) and larger payments to RCVS Knowledge and other trusts.

Council approved a Strategic Development Budget (SDB) to provide for one-off projects and new initiatives, subject to a detailed approval procedure. The 2015 SDB was £300,000, out of which expenditure of £297,246 was approved and £118,527 spent. The balance of £178,719 has been transferred to a designated fund (see note 14).

The relationship with the 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, including use of College premises.

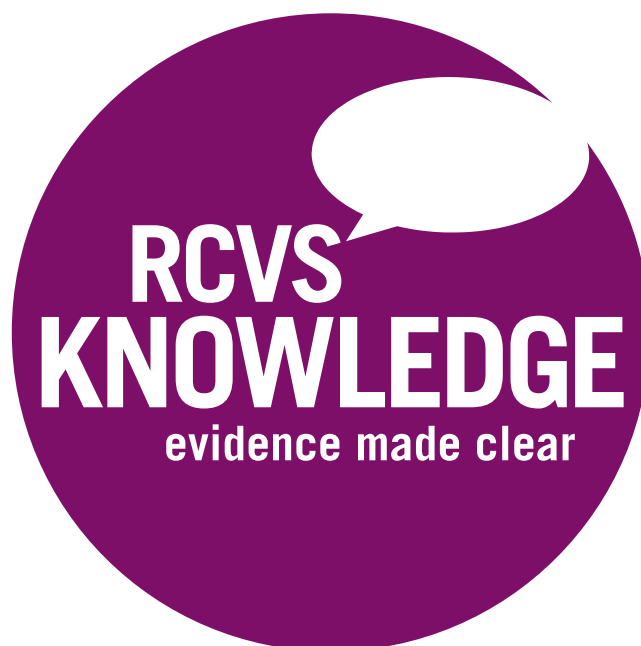
A Memorandum of Understanding is in place between the RCVS and RCVS Knowledge. The purpose of this Memorandum is to record an agreement between the College and RCVS Knowledge about the resources and services made available by one organisation to the other and the necessary arrangements for managing these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

The relationship continues to be kept under review and the contents of the Memorandum are reviewed periodically, last in 2015. Joint meetings are held between the RCVS and RCVS Knowledge to consider items of mutual interest.

RCVS Knowledge undertakes a range of activities, including the provision of a specialist library service to the practising veterinary community, management of historic veterinary archives, and its major project to take a lead on evidence-based veterinary medicine (EBVM). These are underpinned by a well-managed grants and awards programme. In 2015 the College calculated the cost of the support provided to RCVS Knowledge through its cost allocation process. As a result, contributions in kind of £241,884 (in 2014, £191,886) have been included in the amount given to RCVS Knowledge in 2015. The support costs were allocated on the basis of the number of staff in Knowledge. The College gave RCVS Knowledge £842,044 (in 2014, £732,773), including contributions in kind.

RCVS Knowledge has eleven Trustees of which five are RCVS Council members and six external trustees. Following the resignation of the Executive Director of Knowledge, the RCVS Operations Director is acting as interim Director until a new Director is appointed.

Transactions with RCVS Knowledge are shown in notes 4 and 12 in the financial statements.



Breaking new ground: achievements and performance 2015

This, the second year of our 2014-16 Strategic Plan, has been a year of looking forward, trialling new initiatives and taking first steps in some challenging new areas. Planning, collaboration and being prepared to be brave have been the key ingredients of our success in these endeavours.

The Plan, agreed by RCVS Council in November 2013, set out our purpose to “set, uphold and advance veterinary standards” and included 35 actions within five key themes:

1. Identity
2. Service
3. Advancing standards
4. Improving core functions
5. Strengthening the foundations.

Our work during 2015 showed major progress in all five areas, as summarised below.

Identity

The year started very positively when, on 17 February 2015, our new Royal Charter came into force. Several years in the preparation, the new Charter was an historic achievement for the profession as a whole, and was produced with the help of a broad range of members of the profession and representative organisations.

Perhaps most importantly in the short-term, the Charter means full regulation for veterinary nurses via the RCVS Register of Veterinary Nurses, and the closure of the unregulated list. We also campaigned hard this year for the title of ‘veterinary nurse’ to be protected in law, with a petition on the subject garnering over 36,000 signatures, from veterinary nurses, veterinary surgeons and members of the public, before it closed on 14 February 2016. Support for the campaign was also highlighted by huge engagement on social media, for example, an animation which highlighted the need for protection has been watched around 100,000 times on social media.

Although in early 2016 the Department for Environment, Food and Rural Affairs said that it was not minded to seek statutory protection of the title, it is now supporting us with a review of Schedule 3 to the Veterinary Surgeons Act 1966 which will, arguably, have a greater affect on animal health and welfare than even the protection of title could have achieved. Our



campaign also served to help educate the public, and the profession at large, about the important contribution veterinary nurses make to the practice team. Meanwhile, we will continue to explore options for strengthening the *Code of Professional Conduct* to limit the use of ‘veterinary nurse’ to describe those on our Register, and provide clarity for the public.

The Charter also clarifies the role of the College and its aims and objectives, while modernising many of our regulatory functions. In addition, it paves the way for the College to develop new categories of associate membership for non-veterinary surgeons. Perhaps most importantly, the new Charter allows for greater understanding of the unique position of the RCVS as a Royal College that also regulates, and the opportunities that this creates for advancing, as well as setting and upholding, veterinary standards.

Service

During late 2014 we began a trial for an alternative dispute resolution (ADR) service, handled independently through



A flexible approach to accreditation

Louise Ketteridge is from the Oak Barn Veterinary Centre in Guildford, one of the first practices to try out the newly launched Practice Standards Scheme (PSS).

“The new PSS is much more user-friendly; even though Stanley (the bespoke computer system) wasn’t quite up and running when we were recently inspected, having the assessor come around and actually shadow everyone throughout the day, rather than sitting behind a desk and making us jump through hoops, was much friendlier and less stressful. The staff were initially quite nervous but it was actually very relaxed, and the in-depth approach provides for a much better representation of the individual merits of a practice instead of just feeling like an exercise in box-ticking.

“The new system also ensures you as a practice have everything in place. With patient care always being our first priority it’s easy for the maintenance tasks to fall behind, so it’s good to have a reason to take a break and focus on ensuring the Health & Safety basics like PAT testing are all in order.

“I think the new system will also be a lot more useful to clients as the old scheme was a bit confusing; clients couldn’t distinguish between the different tiers, often thinking that all practices with accreditation were the same. The rosette system that comes with the new PSS will convey to the public what the differences are between practices in a much more manageable way.”

Ombudsman Services (OS); the trial began to generate real momentum in 2015. It’s the first step towards developing a consumer redress service and means that we can now consider concerns raised against a veterinary surgeon which, while not amounting to serious profession conduct, do fall short of expected standards. The focus is on conciliation, although some limited financial reparation can be recommended by OS. During the trial, participation is voluntary and recommendations are not binding.

By the end of 2015, 102 cases had been referred to OS and decisions had been made in 80 of them. Feedback is being sought from those who took part, with a view to recommendations for a permanent service being made to RCVS Council in summer 2016.

A second trial to take place during 2015 looked at extending our Advice Line into the evening, for both the profession and the public. Although the extension was publicised, we took only an additional 59 calls between 5pm and 7pm during the three-

month trial, compared to the 2,286 calls received during normal office hours for that same period. Furthermore most of the calls related to existing concerns or were of a non-urgent nature. The service will not be continued.

Advancing standards

In November 2015, we launched our new Practice Standards Scheme to the profession, to be implemented in April 2016, and a public launch will follow. The new Scheme has a greater focus on outcomes and behaviours, facilitated by a new team of professionally-trained employed assessors. A new IT system is in a testing phase with a selection of practices; once launched to all it will enable practices to upload their paperwork before an inspection, thus helping with the planning cycle and allowing assessors to focus on the people, not the paperwork, when they visit.

In addition, practices can apply for one or more of a new series of awards, on top of their accreditation category, laying down a pathway to continual improvement for all those in the Scheme,



a greater incentive for practices not in the Scheme to join, and enabling the public to make better-informed decisions on practice choice.

We have also continued this year to promote ways in which members of the profession can advance their skills and knowledge, and communicate this clearly to the public, through Advanced Practitioner and Specialist status. By the end of 2015, 620 veterinary surgeons had successfully achieved Advanced Practitioner status, which was only launched in September 2014, and we had 408 Specialists on our list. Changes to our *Code of Professional Conduct* mean that use of title 'Specialist' has been further tightened, to avoid confusion for the public

and those practitioners referring to Specialists.

Meanwhile, we have continued our review of the RCVS Fellowship, with the aim of launching new routes to achieve this prestigious status in 2016.

Improving our core functions

Our culture includes a focus on being forward-looking, and this does not just apply to our more visionary activities, but also having an eye for constant improvement of our core functions. With this in mind, we overhauled our registration regulations this year, to clear up inconsistencies and ensure they were fit for purpose.



We have also been laying down the foundations for English language testing, where we have a significant doubt about a veterinary surgeon's abilities to communicate, and have strengthened our *Code of Professional Conduct* to reflect this.

Strengthening the foundations

This year we continued to strengthen our foundations as an organisation, and that included a focus on our most important asset – our staff. We are a service organisation so it's essential that our staff feel valued, are properly rewarded for their work and have a sense of pride and camaraderie: that's not just good for us, it's good for the profession we regulate and, ultimately, animals and their owners.

Protecting the VN title

Jane Davidson RVN is a locum veterinary nurse who was heavily involved in promoting the RCVS 'protect the veterinary nurse title' campaign with the broadcast, print and social media.



Jane Davidson pictured with rescue cat **Little Blue**

"While we registered veterinary nurses are a niche profession, we provide an amazing service to almost half of all households in the UK. But do they know who we are? Since August 2015 I watched with interest the RCVS petition and campaign to protect the title 'veterinary nurse' so that only those who are appropriately educated and registered can call themselves one.

"I signed. Friends and family signed. I asked my locum practices to provide support and the petition got 10,000 signatures in just a few weeks with numerous shares on social media as well. Then things slowed. We knew, those who knew us knew, but did the most important people – our clients – know? About us? About RVNs?

"I decided it was time to use the petition to spread the word. I crossed my fingers and called my local paper. I was getting my photo taken an hour later! It didn't stop there. BBC London radio and TV news picked up the story. It was 'lights, camera, action' for the next two days. Luke from the RCVS Communications Team and Liz Cox, the Chair of VN Council, were amazing and so helpful during this time.

"If the RCVS hadn't taken a stand to promote and protect our role I may not have called the paper. This snowballed through the BBC to social media. Hundreds of shares, likes and tweets. A talking point, with many people saying 'I didn't know this was the case'. I am still getting comments about it now. The journey doesn't stop here. It's only just started – with thanks to the petition and the Royal Charter – and we veterinary nurses are more committed than ever to letting the public know more about us and what we do."

In last year's report we were pleased to share a massive leap, from 52% to 91%, of staff saying that the RCVS is a 'great place to work'. In 2015 this score translated into us being ranked in the top 30 medium-sized organisations by the Great Place to Work Foundation, ahead of big brands such as Coca-Cola. After such a huge jump last year we wondered if the 2015 score could be sustained – but we improved again, by another two percentage points. It remains to be seen how this will affect our ranking in 2016.

As aforementioned, our Practice Standards assessors are now employed staff and we have spent time this year developing a 'one team' approach to include all employed staff, as well as



committee and Council members, and examiners. Now that not all of our staff are based in one building in London this has necessitated a new approach to communication, which is bedding in.

An army may march on its stomach but a modern workforce is only as good as the IT infrastructure on which it relies every day. We are therefore delighted to report that the transformation of our iMIS database has been completed on time and under budget. These are very rare words to use in the context of an IT project. Meanwhile, we continue to work on the implementation of the Practice Standards Scheme IT hub, Stanley.

Additional projects

As well as keeping our eyes squarely on our operational plan, 2015 has also been a year for looking ahead – to an horizon of 2030, to be precise. Vet Futures, a joint initiative with the British Veterinary Association, has the aim of delivering a profession that can take charge of its own future. Following a year-long programme of research, engagement and analysis, the Vet Futures report was launched in November 2015. The report contains 34 recommendations,

under six ambitions, which cover animal health and welfare, veterinary roles in society at large, veterinary careers, veterinary wellbeing, business and leadership.

During 2016 the focus will be on developing those recommendations into an action plan that will take the profession forward to 2030. A companion project for veterinary nurses launched in early 2016.

Collaboration and engagement has been the hallmark of the Vet Futures project, and it has also underpinned the success of the Mind Matters Initiative, a pan-professional project, driven and funded by the RCVS, to address mental health issues within the veterinary team. Funding of £1 million over a five-year period was announced in February 2015 and, since then, a busy programme of activities has been underway, including a conference with other medical professionals, mental health awareness training, presentations and talks to help educate about mental health and destigmatise the issues, and advisory work with veterinary associations and practices to ensure that mental health and wellbeing is squarely on the agendas.

Risks mitigation

Alongside the Strategic Plan, an oft referred to document is our Risk Register. This year we have particularly kept in focus risks around four key areas:

Governance fit for a modern regulator:

Laying the groundwork for a legislative reform and to reshape our governance, including a Defra consultation

Infrastructure not adequate for RCVS to function properly:

IT project replacing database completed and estates strategy under consideration

Threats and opportunities relating to RCVS from external factors:

Keeping a watchful eye on external factors that may effect our ability to carry out our statutory and charter functions, both through the horizon-scanning work of the Vet Futures project, and by considering issues of a more short-term nature, such as the potential impact of Brexit on the College

Staff lacking relevant skills:

£40,000 spent on staff training this year.

During the year there was a small fire which tested our disaster recovery plan. As a result of the fire some changes to the plan and procedures were implemented. There was limited disruption to the running of the College and an insurance claim has been made and agreed post year-end.

What next?

Our operational objectives for 2016 include the following elements of our Strategic Plan 2014-6:

1. **Launch new a new ADR service (subject to Council approval)**
2. **Launch the new Fellowship**
3. **Achieve a new legislative reform order for governance reform**
4. **Explore new options for new associates**
5. **Launch the Vet Futures action plan and begin implementation**
6. **Maintain high levels of staff engagement**
7. **Implement the estates strategy**
8. **Develop a new IT system for our Professional Conduct work**
9. **Develop our international strategy**
10. **Trial a confidential complaints line**
11. **Trial an Ethics Review Panel**

We will also work on a new Strategic Plan, for Council approval in November 2016.

ADR in practice

Natalie had raised a concern with the RCVS regarding the treatment of her horse by a veterinary surgeon. Although the College found no issues of serious professional misconduct in the concern, both Natalie and the vet were offered the opportunity to resolve the issue through the alternative dispute resolution (ADR) trial, an opportunity they took up.



"Some weeks after my original concern was closed, I was contacted by the RCVS to take part in the alternative dispute resolution trial, administered by Ombudsman Services. The lady did explain that it was a trial scheme and that my vet had to consent if he wished to take part and if he refused, then the case couldn't be considered.

"The day Ombudsman Services received my complaint, they contacted me to let me know they had received it via email and a couple of days after that a lovely lady called me to inform me she was my case manager. She explained she was not a vet but told me what would happen with the case and left me her contact details should I want to ask her anymore questions.

"I was emailed a link to a portal where I could see where my complaint was up to.

"At all times I was informed at which stage my complaint was up to and within eight weeks I had a full, lengthy report explaining in great detail all the areas of my case and what the board and Ombudsman Services thought about the different aspects of my complaint.

"The end result was that my vet was asked to write me a letter of apology as Ombudsman Services had concluded that if he had been willing to speak to me about the issues, we probably could have sorted it out ourselves, rather than involving the RCVS concerns process. I was given the option of agreeing with this action and offered the chance to make any amendments. I agreed.

"I am glad RCVS saw my frustration and by using the alternative dispute resolution trial, I was given some kind of closure. It was a stressful and worrying time for me and my animals and it is good to know that there are services like this available to people who are in similar situations to me."

In addition, our Strategic Development Budget allows for the flexibility to investigate and launch new projects that may not have been envisaged at the time of setting annual budgets, but which support our ambitions and strategic direction. Some exciting projects have germinated thanks to this fund, including Mind Matters and the new IT system for the Professional Conduct department. We will endeavour to promote a culture within the organisation which encourages such innovation as we go forward.

Financial management policies

Risk management

The College maintains a Risk Register, approved by Council in June 2014 and accepted as a 'living' document to be consulted regularly and updated as items are identified or completed. It is reviewed regularly by the Operational Board and Senior Team, and at the June Council meeting each year.

The Risk Register is a standing item on the Audit and Risk Committee agenda and a risk on the Register is reviewed at each meeting (see page 15).

Public benefit

The objects of the College as set out in the new Charter are 'to set, uphold and advance veterinary standards, and to promote, encourage and advance the study and practice of the art and science of veterinary surgery and medicine, in the interests of the health and welfare of animals and in the wider public interest'. The College has regard to the Charity Commission guidance on public benefit and considers that the activities and achievements described above further the College's purposes for the public benefit.

Reserves policy and going concern Accumulated fund

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 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 reserves includes nine months of working capital, provision for disciplinary cases, new initiatives and a general contingency reserve. The figure will change from year to year, in line with levels of expenditure and the changing needs of the College.

Disciplinary reserve

Expenditure on disciplinary cases varies considerably from year to year. In order to recognise this, a designated reserve was created, to be drawn on as necessary.

Contingency reserve

In small organisations, non-recurring expenditure, such as senior staff changes, can have a major impact on expenditure. In order to protect general reserves (the accumulated fund) from the impact of such unexpected costs, a designated contingency reserve has been created.

Strategic Development Budget

The Strategic Development Budget is a designated reserve to provide for one-off projects and new initiatives, subject to a detailed approval procedure.

At 31 December 2015, the College held total reserves, less Belgravia House (our operational centre) and reserves for contingency expenditure, giving free reserves of £12.5m, including investments at market value. This is higher than the reserves calculation per the formula, based on nine months of expenditure plus provisions for contingencies of £7.7m. Having adequate reserves has enabled us to hold fees at the same level for five years.

Council members have reviewed the reserves and cashflow forecasts for 12 months after the date of signing and consider the College to be a going concern.

Remuneration policy

All staff salaries are benchmarked against external criteria by an independent consultant, using various external benchmarking surveys, looking at the post-holder's job description and evaluating by 'mid-market' and 'market-leader' rates. The annual pay budget is agreed by the

Operational Board – devolved to the Remuneration Subcommittee, which comprises the Treasurer, President and two Vice-Presidents – in October of each year, and this forms part of the RCVS Annual Budget.

In January each year, the Operational Board (Remuneration Subcommittee) agrees the annual uplift in salaries, effective from April of each year. Senior Team members are then asked to put forward recommendations which are considered by the CEO and HR Director and final approval is given by the Remuneration Subcommittee and the Operational Board. The CEO recommends changes to Senior Team members' salaries. The CEO's salary is externally benchmarked and any performance awards approved by the President and Senior Vice-President.

Council members' responsibilities statement

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, Council members are 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.

Council members are 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. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Council members are responsible for the maintenance and integrity of the College and financial information included on the College's website. Legislation in the UK 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, who reports to the Operational Board 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 smaller UK companies, overseas equities and property.

Performance is measured against an agreed customised benchmark of holdings of 13% fixed interest, 55% UK equities, 25% overseas equities, 5% property and 2% cash. The result for the year was a total return of 3.15%, compared to a benchmark return of 2.62 %.

Amanda Boag, Treasurer



Approved by the Council on 2 June 2016

Independent auditor's report to the members of the RCVS

We have audited the financial statements of the Royal College of Veterinary Surgeons for the year ended 31 December 2015, which comprise the Statement of Financial Activities, the balance sheet, cashflow statement and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members of the College in accordance with the bye-laws of the College and our engagement letter dated 28 September 2015. Our audit work has been undertaken so that we might state to the members of the College those matters we are required to state to them in an independent 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 members of the College for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council members and auditor

As explained more fully in the Council members' responsibilities statement, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and, the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements: give a true and fair view of the state of the College's affairs as at 31 December 2015 and of its surplus for the year then ended; and, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Deloitte LLP
Statutory Auditor
2 June 2016

Royal College of
Veterinary Surgeons
**Financial
Statements 2015**

Statement of Financial Activities year ended 31 December 2015

	Notes	2015			2014 (restated)		
		General fund	Designated funds	Total funds	General fund	Designated funds	Total funds
		£	£	£	£	£	£
Income							
Income from activities							
Veterinary surgeons	2	7,048,476	-	7,048,476	6,640,705	-	6,640,705
Veterinary nurses		1,177,517	-	1,177,517	1,121,412	-	1,121,412
RCVS Awarding Body		29,060	-	29,060	181,731	-	181,731
RCVS examination fees		165,790	-	165,790	126,029	-	126,029
Register of Veterinary Practice Premises		192,410	-	192,410	186,010	-	186,010
Practice Standards Scheme		347,837	-	347,837	338,992	-	338,992
Investment		312,877	-	312,877	342,585	-	342,585
Income from other activities							
Publications and other income		16,113	-	16,113	51,189	-	51,189
Legacy income	3	203,734	-	203,734	282,888	-	282,888
Disciplinary costs recovered		-	-	-	59,061	-	59,061
Total income		9,493,814	-	9,493,814	9,330,602	-	9,330,602
Expenditure	1						
Relating to activities							
Regulatory functions		6,401,963	48,271	6,450,234	5,512,912	-	5,512,912
RCVS Awarding Body		153,758	-	153,758	348,745	-	348,745
Veterinary nursing		715,452	-	715,452	663,534	-	663,534
RCVS examination costs		172,774	-	172,774	213,051	-	213,051
Register of Veterinary Practice Premises		201,632	-	201,632	120,542	-	120,542
Practice Standards Scheme		502,460	-	502,460	564,263	-	564,263
Investment management costs		42,303	-	42,303	41,478	-	41,478
Support for RCVS Knowledge and other trusts	4	936,924	-	936,924	783,773	-	783,773
Total expenditure	6	9,127,266	48,271	9,175,537	8,248,298	-	8,248,298
		366,548	(48,271)	318,277	1,082,304	-	1,082,304
Net gains on investments		42,803	-	42,803	9,085	-	9,085
Net income/(expenditure)		409,351	(48,271)	361,080	1,091,389	-	1,091,389
Transfer to Strategic Development Budget		(178,719)	178,719	-	(223,537)	223,537	-
Net movement in funds		230,632	130,448	361,080	867,852	223,537	1,091,389
Reconciliation of funds							
Total funds brought forward	14	14,379,899	813,537	15,193,436	13,512,047	590,000	14,102,047
Total funds carried forward	14	14,610,531	943,985	15,554,516	14,379,899	813,537	15,193,436

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those above, and therefore no separate statement of total recognised gains and losses has been presented. Movements in funds are disclosed in note 14 to the financial statements. Details of the restatement are given in note 1.

Balance sheet

31 December 2015

Fixed assets	Notes		2015 £		2014 £
Tangible fixed assets	10		2,849,108		2,960,927
Investments	11		9,718,131		9,659,726
			12,567,239		12,620,653
Current assets					
Debtors	12	524,239		448,092	
Investments (cash equivalents)		5,454,810		4,600,448	
Cash at bank		305,275		567,140	
		6,284,324		5,615,680	
Liabilities					
Creditors: amounts falling due within one year	13	(3,297,047)		(3,042,897)	
Net current assets			2,987,277		2,572,783
Net assets			15,554,516		15,193,436
Funds	14				
Designated funds			943,985		813,537
Unrestricted funds			14,610,531		14,379,899
Total funds			15,554,516		15,193,436

The financial statements were approved by RCVS Council and authorised for issue on 2 June 2016.

They were signed on its behalf by:

BV Viner, President

AK Boag, Treasurer

Cashflow statement

year ended

31 December 2015

	2015 £	2014 (restated) £
Net cashflows from operating activities	295,222	1,006,571
Cash flows from investing activities	297,275	278,385
	592,497	1,284,956
Cash and cash equivalents at 1 January (restated)	5,167,588	3,882,632
Cash and cash equivalents at 31 December	5,760,085	5,167,588

Notes to the Cashflow statement

1. Net cash used in operating activities	2015 £	2014 £
Net incoming resources for the year	361,080	1,091,389
Investment income	(312,877)	(342,585)
Net gains on investments	(42,803)	(9,085)
Depreciation	111,819	162,514
(Increase) / Decrease in debtors	(76,147)	51,755
Increase in creditors	254,150	52,583
Net cash used in operating activities	295,222	1,006,571

2. Cashflows from investing activities	2015 £	2014 £
Investment income	312,877	342,585
Payments to acquire investments	(1,229,618)	(1,591,568)
Proceeds from sale of investments	1,253,496	1,575,507
Movement in cash balances held in invest- ment portfolio	(39,480)	(48,139)
	297,275	278,385

3. Reconciliation to cash at bank	2015 £	2014 £
Investments – cash equivalents	5,454,810	4,600,448
Cash at bank	305,275	567,140
Cash and cash equivalents	5,760,085	5,167,588

FRS 102 has introduced a new definition of cash and cash equivalents which now includes short term deposits (less than three months). This has resulted in restatements where liquid resources are now included within cash and cash equivalents.

Notes to the financial statements for the year ended 31 December 2015

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. In 2013, the College decided to adopt the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), to provide a comparable framework with other organisations. This year's 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 for the Statement of Financial Activities headings, which have been adapted to give prominence to areas more appropriate to the College. Council members have reviewed the reserves and cashflow forecasts for 12 months after the date of signing and consider the college to be a going concern.

b) Prior year adjustments following the change in accounting framework

The prior year financial statements were restated for adjustments on adoption of FRS 102 in the current year. The transition date was 1 January 2014. The comparatives have been restated to reflect the reallocation of £832,691 governance costs in 2014 over the activities of the College. More detail is given in note 6.

The cashflow statement has been restated to reflect the revised classification of cash and cash equivalents described on page 22.

c) Income

The fee year for veterinary surgeons 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 is included in deferred income in creditors.

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.

d) 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 and staff costs are allocated to the applicable expenditure headings. General management, overheads (central 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 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.

e) 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

f) Investments

Investments are included on the balance sheet at their market 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 cashflow statement.

g) Taxation

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

h) Pension contributions

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

i) 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.

Cash-at-bank and cash-in-hand 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.

j) 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 of the revision affect both current and future periods.

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

k) Public benefit statement

The RCVS considers itself to be a public benefit entity.

l) Fund accounting

All of RCVS funds are unrestricted. Funds may be designated by Council for specific purposes as described in note 14.

2. Income from veterinary surgeons (including Specialists)

	2015 £	2014 £
Annual retention fees	6,496,022	6,226,909
Registration fees	389,413	300,895
Restoration fees	51,690	36,846
Specialist applications and fees	54,451	47,549
Advanced Practitioner applications and fees	56,900	28,506
Total	7,048,476	6,640,705

3. Legacy

Mrs Norah Miller left RCVS a legacy of £203,734. Probate was granted in December 2015 and the income has been provided for in the 2015 accounts. The RCVS received the balance of two legacies in 2014. One legacy, from Mr G P West, has to be used for feline research.

Both have been donated to RCVS Knowledge, which have confirmed it will use the money in compliance with the restrictions.

4. Support for RCVS Knowledge and other trusts

	2015 £	2014 £
Payments to RCVS Knowledge, including a grant to fund the development of an evidence-based veterinary medicine portal	600,160	540,887
Reallocation of support costs to RCVS Knowledge	241,884	191,886
	842,044	732,773
Payments to other trusts: Vetlife and the Worldwide Veterinary Service	94,880	51,000
Total	936,924	783,773

The calculation for the reallocation of support costs for RCVS Knowledge was based on headcount.

5. Governance costs and Council and committee members' expenses

	2015 £	2014 £
Council and committee members' expenses	488,817	491,870
Audit	27,000	24,600
Staff costs	220,266	252,755
Balance of direct and apportioned costs	61,621	63,466
Total	797,704	832,691

Council and committee members' expenses relate to costs incurred attending meetings, excluding the costs of attending Preliminary Investigation, Disciplinary and Advisory/Standards Committees. Payments are made for travel and subsistence and a financial loss payment to employers or practices. The total number paid was 45 (2014 – 46). 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.

6. Total resources expenditure 2015

	Direct costs £	Staff costs £	Reallocation support costs £	Subtotal £	Reallocation governance costs £	2015 Total £
Regulatory functions	2,549,187	2,345,964	992,486	5,887,637	514,325	6,401,962
RCVS Awarding Body	44,616	54,726	43,979	143,321	10,438	153,759
Veterinary nursing	219,776	308,259	131,937	659,972	55,480	715,452
RCVS examination costs	103,167	37,252	17,601	158,020	14,754	172,774
Register of Veterinary Practice Premises	42	133,372	54,200	187,614	14,018	201,632
Practice Standards Scheme	212,581	170,470	79,162	462,213	40,247	502,460
Investment management costs	42,303	-	-	42,303	-	42,303
RCVS Knowledge and other trusts	695,040	-	241,884	936,924	-	936,924
Governance costs	3,866,711	3,050,043	1,561,249	8,478,004	649,262	9,127,266
Support costs	577,438	220,266	-	797,704	(797,704)	-
Total expenditure	5,312,143	3,815,123	-	9,127,266	-	9,127,266

The methods and principles for allocation and apportionment of costs are included in the accounting policies on page 23.

	Direct costs £	Staff costs £	Reallocation support costs £	As previously reported £	Reallocation governance costs £	Restated 2014 Total £
Regulatory functions	1,974,630	2,068,465	851,398	4,894,493	618,419	5,512,912
RCVS Awarding Body	153,960	100,497	55,167	309,624	39,121	348,745
Veterinary nursing	203,765	248,617	136,719	589,101	74,433	663,534
RCVS examination costs	58,329	82,852	47,971	189,152	23,899	213,051
Register of Veterinary Practice Premises	59	63,787	43,174	107,020	13,522	120,542
Practice Standards Scheme	283,794	121,229	95,943	500,966	63,297	564,263
Investment management costs	41,478	-	-	41,478	-	41,478
RCVS Knowledge and other trusts	591,887	-	191,886	783,773	-	783,773
Governance costs	3,307,902	2,685,447	1,422,258	7,415,607	832,691	8,248,298
Support costs	516,470	252,755	63,466	832,691	(832,691)	-
Total expenditure	4,770,587	3,477,711	-	8,248,298	-	8,248,298

7. Net incoming resources for the year

This is stated after charging:		
	2015 £	2014 £
Depreciation	111,819	162,514
Auditor's remuneration:		
Audit	27,000	24,600
Other services (taxation)	1,800	1,800

8. Staff costs and numbers

Staff costs were as follows:		
	2015 £	2014 £
Salaries and wages	3,242,722	2,993,644
Social security costs	317,064	298,734
Pension contributions	255,337	185,333
Total	3,815,123	3,477,711

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

	2015 No.	2014 No.
Regulatory functions	45	36
Governance	3	3
RCVS Awarding Body	2	2
Veterinary nursing	6	6
RCVS examination costs	1	2
Practice Standards Scheme	4	4
Register of Veterinary Practice Premises	2	2
Support	11	11
Total	74	66

Staff earning over £60K only (including employee benefits, excluding pension)	2015	2014
£60,001-£70,000	3	2
£70,001-£80,000	-	1
£80,001-£90,000	2	3
£90,001-£100,001	1	-
£110,001-£120,000	1	1
£140,001-£150,000	1	1

The RCVS considers its key management personnel to be the Senior Team named on page 2. The total employee benefits including employer pension contributions of the key management personnel were £822,983 (2014 - £717,630).

9. Taxation

The College is taxed as a mutual organisation and is therefore taxed only on outside sources of income. Historically, this has been investment income. No tax charge is expected to arise relating to 2015 (2014 - nil). Any tax liability has been offset against gift aid payments to RCVS Knowledge and other trusts.

10. Tangible fixed assets

Cost	Property £	Computer equipment £	Fixtures and fittings £	Total £
At the start of the year	3,055,027	587,297	1,247,525	4,889,849
Disposals		(587,297)		(587,297)
At the end of the year	3,055,027	-	1,247,525	4,302,552
Depreciation				
At the start of the year	387,720	587,297	953,905	1,928,922
Charge for the year	41,101		70,718	111,819
Disposals		(587,297)		(587,297)
At the end of the year	428,821	-	1,024,623	1,453,444
Net book value				
At the end of the year	2,626,206	-	222,902	2,849,108
At the start of the year	2,667,307	-	293,620	2,960,927

11. Investments

	2015 £	2014 £
Market value at the start of the year	9,429,926	9,404,781
Additions at historic cost	1,229,618	1,591,568
Disposals at opening market value	(1,273,354)	(1,716,065)
Unrealised gain	62,661	149,642
	9,448,851	9,429,926
Cash balance	269,280	229,800
Market value at the end of the year	9,718,131	9,659,726
Historic cost at the end of the year	7,446,297	7,310,536

The portfolio consists of the following:	Market value 2015 £	Per cent of 2015 portfolio	Market value 2014 £	Per cent of 2014 portfolio
UK equities	5,324,815	56.35%	5,713,942	60.59%
Overseas equities	2,582,439	27.33%	2,521,096	26.74%
UK fixed income	877,899	9.29%	952,622	10.10%
Property	356,118	3.77%	-	0.00%
Alternative assets	307,580	3.26%	242,266	2.57%
	9,448,851	100.00%	9,429,926	100.00%

All investments are managed by Investec Wealth and Investment Ltd.

12. Debtors: amounts falling due within one year

	2015 £	2014 £
RCVS Knowledge	134,067	173,667
Prepayments and other debtors	390,172	274,425
	524,239	448,092

13. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	303,886	252,153
Other creditors	167,781	70,489
Accruals	479,364	539,361
Deferred income	2,346,016	2,180,894
	3,297,047	3,042,897

Deferred income	2015 £	2014 £
Brought forward	2,180,894	2,107,641
Released in the year	(2,180,894)	(2,107,641)
Deferred in the year	2,346,016	2,180,894
	2,346,016	2,180,894

14. Movements in funds

Movements in funds during the year						
	Balance as at 01.1.15 £	Incoming resources £	Outgoing resources £	Gains in investments £	Transfers £	Balance as at 31.12.15 £
Unrestricted funds:						
Designated funds:						
Disciplinary reserve	430,000	-	-	-	-	430,000
Strategic Development Budget	223,537	-	(48,271)	-	178,719	353,985
Contingency reserve	160,000	-	-	-	-	160,000
Total designated funds	813,537	-	(48,271)	-	178,719	943,985
General funds	14,379,899	9,493,814	(9,127,266)	42,803	(178,719)	14,610,531
Total unrestricted funds	15,193,436	9,493,814	(9,175,537)	42,803	-	15,554,516

Designated funds are backed by cash reserves

Accumulated fund

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.

Disciplinary reserve

Expenditure on disciplinary cases varies considerably from year to year. In order to recognise this a reserve was created to be drawn on as necessary.

Strategic Development Budget

The Strategic Development Budget provides for one-off projects and new initiatives.

Contingency reserve

In small organisations non-recurring expenditure such as senior staff changes can have a major impact on expenditure. In order to spread these costs a contingency reserve has been created.

