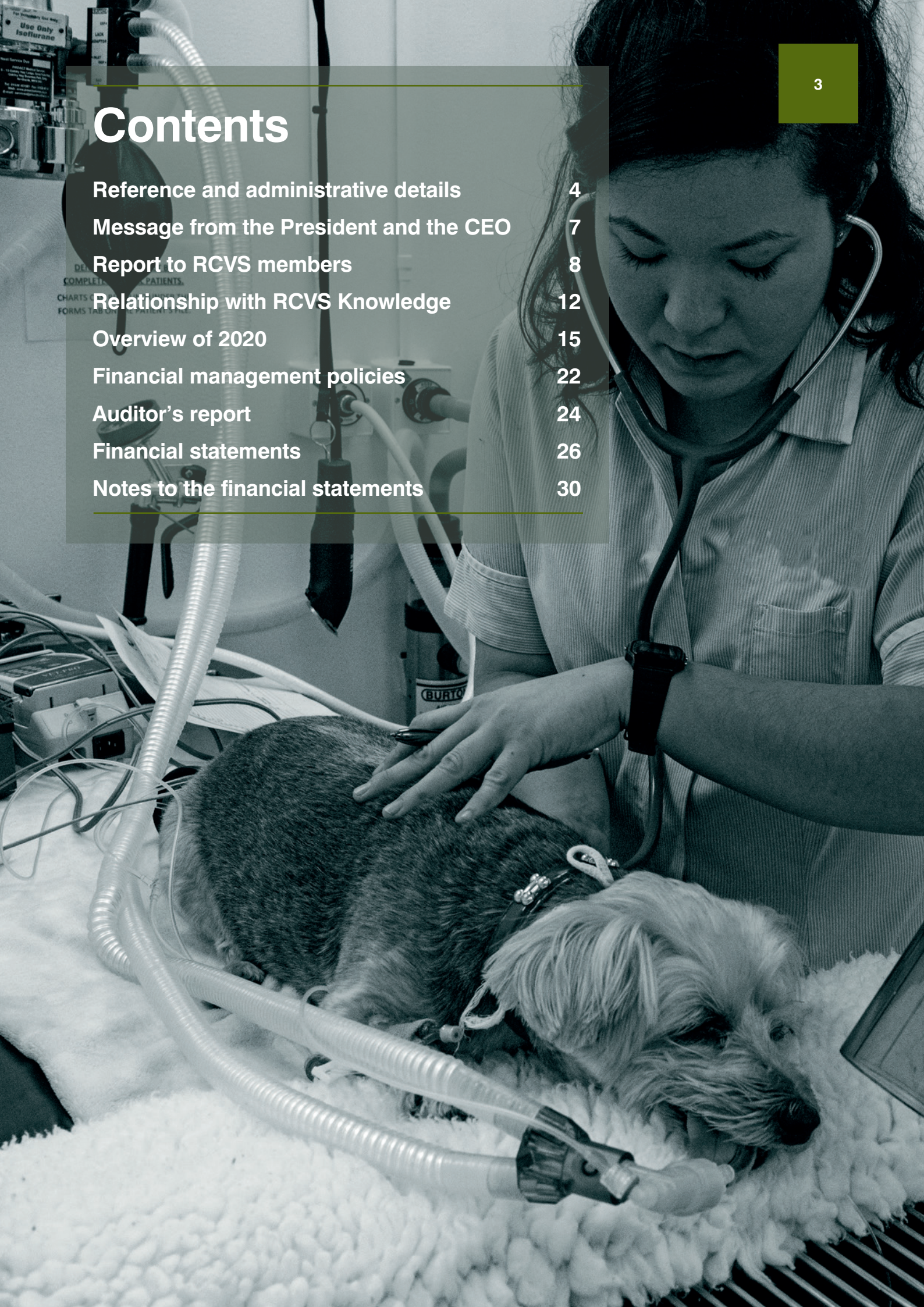


Royal College of
Veterinary Surgeons
**Annual Report &
Financial Statements
2020**

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Reference and administrative details: Officers and professional advisers

Council members

Elected members

Caroline Allen MRCVS
 Christopher Barker MRCVS (To 10.07.20)
 Linda Belton MRCVS
 Amanda Boag MRCVS (Vice-President to 10.07.20)
 Danny Chambers MRCVS
 Niall Connell MRCVS (President to 10.07.20)
 Vice-President from 10.07.20

Melissa Donald MRCVS
 Joanna Dyer MRCVS
 Lucie Goodwin MRCVS (To 10.07.20)
 Mandisa Greene MRCVS (Vice-President to 10.07.20)
 President from 10.07.20

David Leicester MRCVS
 Susan Paterson FRCVS
 Martin Peaty MRCVS
 Kate Richards MRCVS (From 10.07.20)
 Vice-President from 15.4.21

Stephen May FRCVS (To 10.07.20 and from 03.06.21)
 Cheryl Scudamore FRCVS
 Neil Smith FRCVS
 Richard Stephenson MRCVS (From 10.07.20 to 03.06.21)
 Christopher Sturgess FRCVS (Treasurer to 10.07.20)
 Chris Tufnell FRCVS

Appointed lay members

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

Privy Council-appointed members

Christine Middlemiss MRCVS (Observer)

University-appointed members

David Argyle FRCVS (Vice-President from 10.07.20
 to 15.03.21)
 Ewan Cameron MRCVS (To 10.07.20)
 Susan Dawson FRCVS (Treasurer from 10.07.20)
 Gary England FRCVS (To 10.07.20)
 Kenneth Smith FRCVS (To 10.07.20)
 James Wood FRCVS

Appointed veterinary nurses

Belinda Andrews-Jones (From 10.07.20)
 Mathew Rendle (From 10.07.20)
 Racheal Marshall (To 10.07.20)
 Liz Cox (To 10.07.20)

Senior Team

(Key management personnel)

Lizzie Lockett Chief Executive Officer
 Angharad Belcher Director for Advancement of the
 Professions (From 04.01.21)
 Richard Burley Chief Technology Officer
 Julie Dugmore Director of Veterinary Nursing
 Eleanor Ferguson Registrar and Director of
 Legal Services
 Lisa Hall Director of Human Resources
 Ian Holloway Director of Communications
 Corrie McCann Director of Operations and
 Deputy Registrar
 Linda Prescott-Clements Director of Education
 Anthony Roberts Director of Leadership and Innovation
 (To 07. 08.20)

Audit & Risk Committee

Derek Bray
 Elizabeth Butler
 David Leicester (From 10.07.20)
 Stephen May (To 10.07.20)
 Victor Olowe
 Judith Rutherford
 Janice Shardlow

Head office

Belgravia House
 62-64 Horseferry Road
 London
 SW1P 2AF

Bankers

Lloyds Bank plc
 25 Gresham Street
 London
 EC2V 7HN

Solicitors


Bates Wells (until 1.3.21)
 10 Queen Street Place
 London
 EC4R 1BE

Capsticks LLP (from 1.3.21)
 1 St George's Road
 London
 SW19 4DR

Auditor

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





“2020 may not go down in history as the best year we’ve had, but it really has given the opportunity for our values and our spirit to shine.”

Message from President and CEO

New plan, unexpected challenges

There's an old military saying that even the most detailed plan rarely survives first contact with the enemy. Well, at least the military have the advantage of knowledge about who their enemy is and when it might be coming!

We had no such luck in relation to launching our 2020-24 Strategic Plan just a few weeks before a global pandemic hit and changed pretty much every facet of our lives for the entire rest of the year.

Of course, the pandemic did not just dominate our personal lives – with concerns about our own and others' health, isolation and additional caring responsibilities – but also overshadowed every aspect of our professional lives as well.

To give you a sense of how Herculean dealing with COVID has been as a regulator, with every new decision made by the Westminster Government and the devolved nations, with every new piece of guidance issued by the Department of Health and with every announcement of an assistance scheme, we had to look at it in the context of how it would affect any number of stakeholders including veterinary practices, veterinary staff, student vets and vet nurses, and animal owners, and, of course, our own personnel. We then digested all of this information and made decisions on what was relevant to our stakeholders and what advice or guidance needed to be issued in response, with our COVID Taskforce being asked to make any relevant temporary changes to policy.

The challenges were amplified by each of the four nations of the UK working within their own frameworks and terminologies, and, within that, a number of different tiers of restrictions affecting different areas of England in different ways. This made the development of guidance – and the following of it, for veterinary professionals – a complex endeavour.

With all this going on, however, we did not jettison our Strategic Plan, and very much had it in mind as we continued to operate under these difficult conditions. For a start, the Plan is very much values-based at its heart – and our workstreams around clarity, compassion, confidence and courage really did stand us in good stead, as all of those qualities were needed to reassure the professions and

provide a calm and supportive voice in uncertain times. As the report later on in this document will show, despite the extra workload of the pandemic, and activities relating to EU Exit, we have actually delivered on many of the actions that we set out in the Strategic Plan. In some cases, such as the Veterinary Graduate Development Programme (VetGDP), it not only made no sense to postpone these plans because, in a year in which education had been disrupted, our new vets may need this additional support, we actually brought our plans forward. Though there's not much of a silver lining to be drawn from a global pandemic, it has also provided opportunities to do things differently and some of these changes have been positive and may be maintained, for example, virtual meetings have been inclusive and reduced our environmental impact, while virtual registrations for overseas graduates have been more effective for all concerned.

One thing is clear amongst all this: we have come through these challenging times because of the incredible hard work of our staff and our Council members, and the continued support and dedication of members of the veterinary professions. 2020 may not go down in history as the best year we've had, but it really has given the opportunity for our values and our spirit to shine. ■



Mandisa Greene
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 2020. 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 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 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 currently 26 members on RCVS Council: 15 elected members (all veterinary surgeons), three members appointed by the Veterinary Schools Council on behalf of the eight UK Universities with an RCVS-accredited veterinary degree (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 has also formalised lay and veterinary nurse membership of Council.

By summer 2021, the new composition of our Council will mean an overall reduction from 42 to a maximum of 24 members, made up of:

- 13 elected veterinary surgeons to ensure an overall majority of elected members;
- six lay people, appointed by an independent panel;
- three members collectively appointed by the Veterinary Schools Council; and,
- two veterinary nurse positions appointed by VN Council.

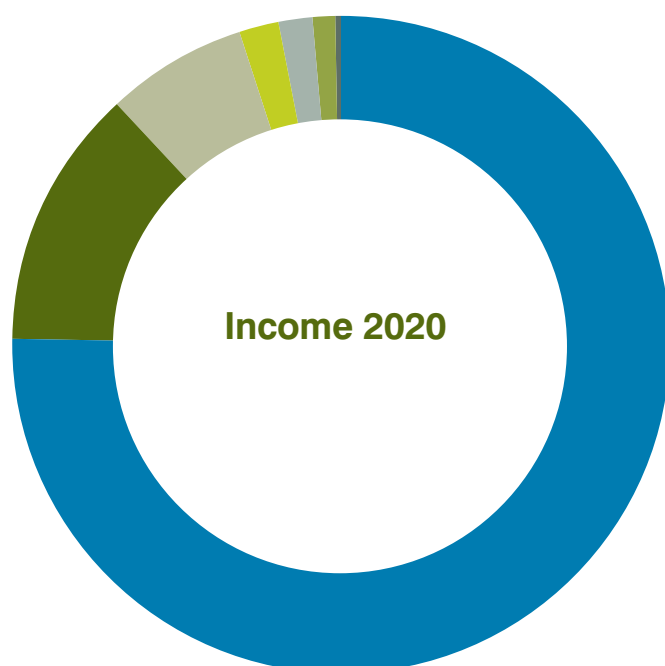


Figure 1: Income 2020

● Veterinary surgeons	£10,502,289
● Veterinary nurses	£1,776,672
● Practice Standards Scheme including other income	£959,666
● Investment income	£296,184
● Register of Veterinary Practice Premises	£215,022
● RCVS examinations	£162,920
● Publications and other income	£14,424
● Disciplinary costs recovered	£0

The terms and conditions of office are:

- elected Council members serve a term of office of four years, with a maximum limit of three consecutive terms, with a mandatory two-year break before a person can stand or be appointed again; and,
- Council members may be removed for issues relating to poor conduct or behaviour.

To support these changes, two new committees, the Finance & Resources and the Advancement of the Professions Committees, were introduced and the frequency of public RCVS Council meetings increased to a maximum of eight to aid our decision-making processes.

A new Code of Conduct for Council and Committee Members came into force in July 2019. The Code covers behaviours, values, collective responsibility, confidentiality, conflicts of interest, communication and enforcement.

Some of the work of the Operational Board has been transferred to the Finance & Resources Committee, which was introduced from summer 2019 and has within its remit budgets, IT, data issues, human resources, the College estate and strategic communication issues.

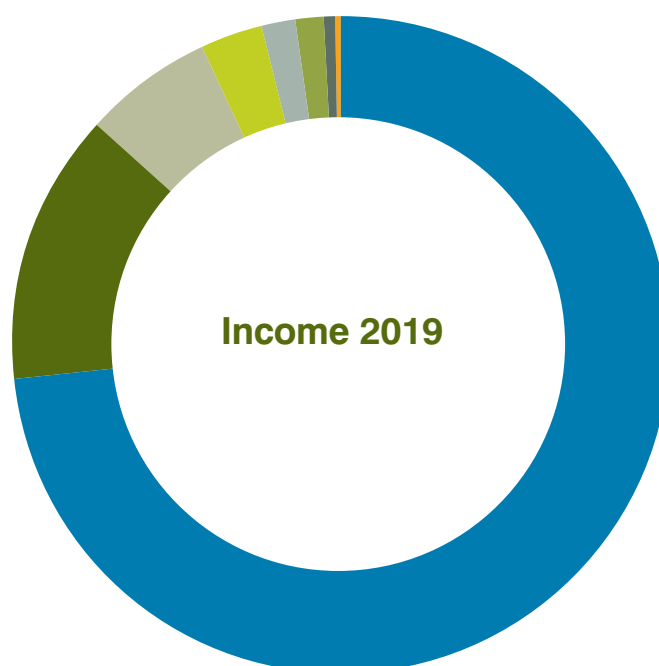


Figure 2: Income 2019

● Veterinary surgeons	£9,723,801
● Veterinary nurses	£1,778,375
● Practice Standards Scheme	£834,324
● Investment income	£422,966
● Register of Veterinary Practice Premises	£212,895
● RCVS examinations	£172,701
● Publications and other income	£92,176
● Disciplinary costs recovered	£16,623

From summer 2019, an Advancement of the Professions Committee was introduced, which is responsible for coordinating and feeding into projects and activities that fall under the College's Royal Charter pledge of advancing veterinary standards. Projects falling under its remit include the Mind Matters Initiative, the RCVS Fellowship, the ViVet innovation project, RCVS Leadership, VN Futures and Vet Futures.

In September 2020 RCVS Council voted to establish a new Registration Committee to make decisions on policies and processes relating to the registration of veterinary professionals.

Whilst the College is not a charity, it was considered to be a useful exercise to map a slightly modified charity governance code to the governance framework at the RCVS. No major gaps were found but work continues on this area.

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 veterinary

press, are notified of the details of how to stand for election to Council. Only veterinary surgeons on the RCVS Register can 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). In 2020 voting papers were returned to Civica Election Services (formerly Electoral Reform Services) for collation and secure storage for six months, after which time they were destroyed. Online voting is also made available to members via emails sent from Civica Election Services containing unique links to a secure voting website. In 2020, the turnout for the RCVS Council election was 26.2% .

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.

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.

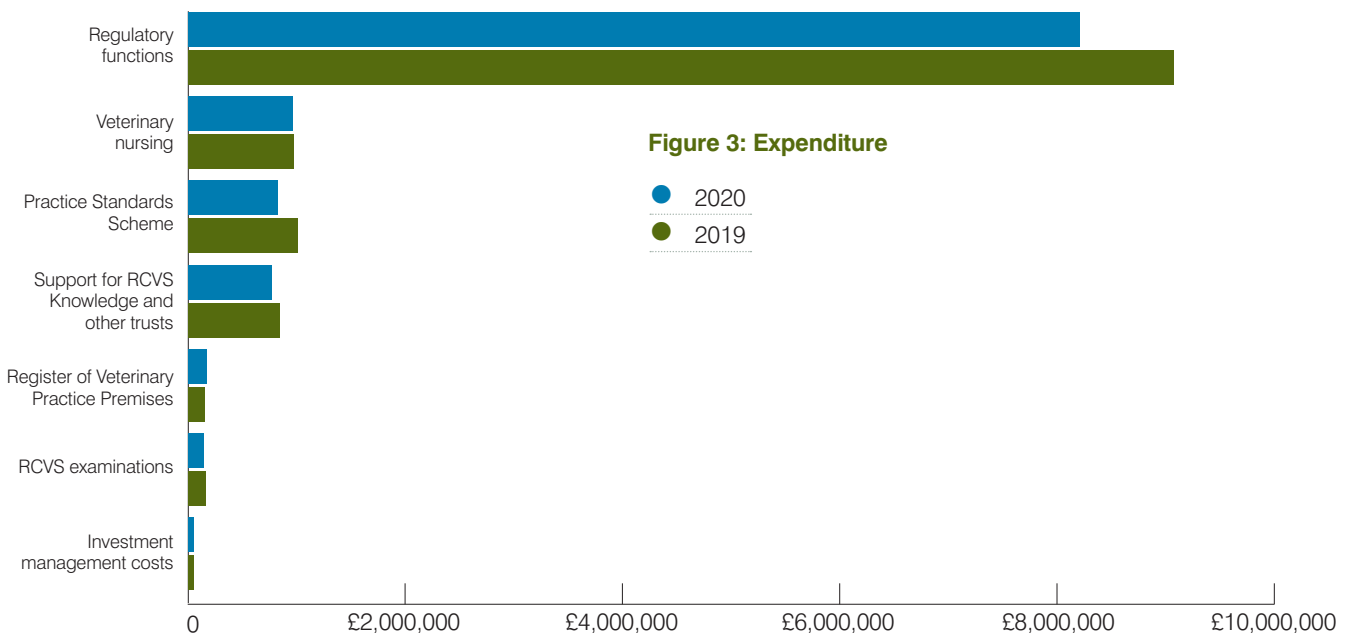
All the standing committees generally meet four times a year. The quorum for standing committees will generally be a simple majority of the total number of members, unless otherwise specified.

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.

Senior Team (key management personnel)

The purpose of the Senior Team is to enable Council to set



“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 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 Senior Team meets regularly, with information from these meetings disseminated to staff via team meetings, with exemptions for private and confidential matters. 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 2020 is 5% higher than in 2019. This is due to growth in membership and retention of veterinary surgeons as well as higher numbers of registered veterinary nurses.

Expenditure has decreased by 9%. There have been significant savings on expenditure resulting from the coronavirus pandemic, in particular from disciplinary committee meetings, events and university visitations which have been deferred without an impact on the delivery of services. Central costs, which includes central salary costs, are also significantly below budget, driven by lower travel and associated expenses for council meetings and events, as well as lower costs for running the office.

Since the year end RCVS has entered into a sale and lease back arrangement for Belgravia House, the operational centre. In 2020 there were gains on investments of £215,386 and in 2019 the portfolio had gains of £1,683,491. 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 23.

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.

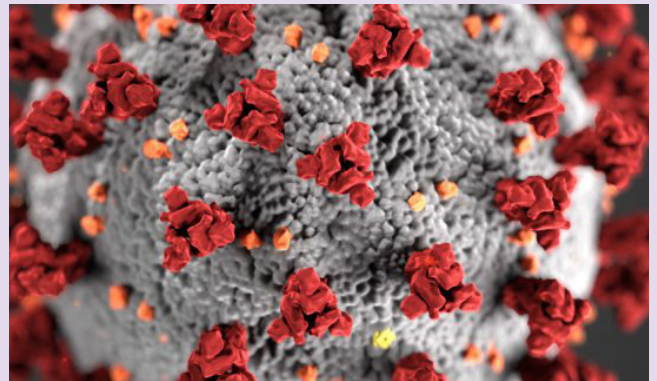
A Memorandum of Understanding is in place between the RCVS and RCVS Knowledge. The purpose of this Memorandum is to record an agreement between the College and RCVS Knowledge about the resources and services made available by one organisation to the other and the necessary arrangements for managing these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

The relationship continues to be kept under review and the contents of the Memorandum are reviewed periodically, and was last updated in October 2019. 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 12 in the financial statements. ■





Newbury Feb 29-1840

My dear Sir

Yours I received & return
 my best thanks for the intercession
 you are making on the part of
 our profession. I quite agree
 with you & think the stakes on

[1]

Newbury
 Feb 29 1840

My dear Sir

Yours I received & return my best thanks for the intercession you are making on the part of our profession. I quite agree with you & think the stakes on entrance ought to be higher I advise that they ought to be Fifty Pounds entrance at least & a qualification as regards education also - It is hard on the part of the Educated Student to be on the same footing at College with the Chemist & Druggist (sic), Groom, Farmer or Nonscript - I have known a Sailor there as a Student, whose only knowledge of Horse from Cow, was by Horns & Tail.



“For many, 2019 and its concerns feel a very long way from the unprecedented times we find ourselves in today, amidst a global pandemic that has had a massive impact on the UK.”

Overview of 2020

We entered this rather extraordinary year with an ambitious Strategic Plan for 2020-24 that was two years in the making, developed after extensive engagement with stakeholders, as well as market research with animal owners and professionals, and ready for approval from RCVS Council as our governing body. The plan was duly approved by members of RCVS Council at their January 2020 meeting and was published in full later that spring.

At the forefront of this five-year plan is our new 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 foundation for achieving this vision is built on four key ambitions:

- **Clarity:** this ambition takes into account that we work within a complex legislative and regulatory framework, so will work to simplify, unpick and modernise what we do in order to remain relevant;
- **Compassion:** this ambition recognises that, while our complaints process can lead to stress and anxiety for members of the professions, we can take a more compassionate approach to regulation by treating everyone as individuals, communicating promptly, explaining appropriately, and being fair;
- **Courage:** under this ambition we will continue to take a leadership role within the professions and consider how we can ensure the professional culture is healthy, sustainable, inclusive, innovative and respectful; and,
- **Confidence:** this ambition recognises that we can only deliver on our plans if we have the right systems, skills and capacity in place in terms of our staffing, finance, IT and communications. The decisions we make on the above will be underpinned by our mission, vision and culture.

We will be setting out the actions taken this year to meet the activities set out under each of these headings in due course, but first would like to give an overview of the background to the Strategy, how it builds on what its two predecessors had delivered, and how it was developed in partnership with the public and profession.

Background

The 2020-24 Strategic Plan builds on the achievements of its two key predecessors.

Our 2014-16 plan focused on the basics – enabling us to be a First-rate Regulator by improving our core functions, addressing our service agenda and strengthening our foundations.

The 2017-19 plan took a much broader scope and looked at the future direction of the veterinary and veterinary nursing professions, informed by the joint RCVS and British Veterinary Association (BVA) Vet Futures project and the joint RCVS and British Veterinary Nursing Association (BVNA) VN Futures initiative. It covered issues such as learning culture, leadership, mental health, global reach and innovation, as well as continuing to be a relevant and forward-thinking regulator that strives for excellent service delivery.

Building on these two approaches, our new plan looks at the future of the RCVS as an organisation working on behalf of all its stakeholders, 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.

We address 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.

The process for putting together the 2020-24 Strategic Plan, however, began well before the completion of its immediate predecessor. Preparatory work started in 2018 in consultation and partnership with both RCVS Council and VN Council, and the work continued throughout 2019 with large streams of information, data and opinion all feeding into the final product.

Amongst the information that fed into the final Strategic Plan were the 2019 Surveys of the Veterinary and Veterinary Nursing Professions, which asked for respondents' views on perceptions of the RCVS in areas such as value for money, communication, approachability, professionalism, empathy and understanding of the challenges of veterinary work. In-depth telephone interviews on perceptions of the RCVS were also carried out with 17 representatives of veterinary organisations including professional and representative bodies.

Furthermore, RCVS staff were also consulted on the plan, as those who would be delivering on the ambitions, and members of RCVS and VN Councils were kept fully engaged and informed throughout.

This engagement has led to a Strategic Plan that is not about top-down imposition of a vision for veterinary regulation developed in the rarefied air of an ivory tower, but is firmly grounded in the ideas, opinions and feedback of those we serve and regulate, and with whom we will work through engagement and consensus.

Clarity

The work encompassed in this ambition is all about ensuring that we have clarity of purpose and that our internal and external stakeholders and service-users understand our role in the world. It means we will endeavour to become 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

Much of this work has been encapsulated by the work of our Legislation Working Party which, since 2017, has been conducting a root-and-branch review of the legislative basis for the veterinary professions. This review has recognised that the Veterinary Surgeons Act 1966 is, despite numerous amendments over the decades, no longer sufficient for providing the legislative framework of a modern, regulated profession whose composition and nature have greatly changed in the more than 50 years since it received Royal Assent. Its remit has, therefore, not been about tinkering around the edges and coming up with incremental changes to the current legislation, but about proposing a bold and clear new legislative framework for the profession, fit for the modern vet-led team and sufficiently future-proofed for the decades to come.

After three years of deliberation, in June 2020, the Legislation Working Party published its recommendations in a landmark report setting out the foci for change. These included:

- embracing the vet-led team;
- enhancing the veterinary nurse role;
- assuring practice regulation;
- introducing a modern, compassionate fitness to practise regime; and,
- modernising RCVS registration.

In November 2020, we launched a consultation to the professions and the public on these proposed reforms, plus some additional changes to the disciplinary system not requiring legislative changes. In the face of a further lockdown at the beginning of 2021, we extended the deadline for this consultation by three months to April 2021.

Educational standards

Another area where our mission to provide greater clarity to what we do made progress in 2020 is in regard to our educational standards, including how we assess and accredit educational institutions both here and abroad. In July, we published a new set of Day-One Competences setting out the knowledge and skills we expect veterinary students to have attained upon graduation. These competences encompass personal leadership, professional commitment, reflection and veterinary capabilities and have a model of continuous learning and commitment to animal health and welfare at their heart.



“We will endeavour to become a proactive regulator that remains a step ahead, even in the face of constant change and uncertainty.”

Alongside this, our Education Team has been conducting a thorough review of the current assessment framework through a newly-assembled Accreditation Standards Working Group, and through ongoing dialogue with stakeholders such as the Veterinary Schools Council and the International Accreditors Working Group.

At the end of 2019, our Veterinary Nursing Team had published its own new standards framework for assessing veterinary nursing training and education. These standards gave greater scope for flexibility and innovation in how institutions deliver their courses, while still maintaining world-class standards, and also put the student experience and empowerment at the heart of our assessment processes. Throughout 2020, the team has continued to work with educational institutions to bed-in these new standards, recognising the considerable disruption caused by the coronavirus pandemic.

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.

Responding to circumstances

While this ambition and its aims were written well before the coronavirus outbreak, having a compassionate attitude towards the circumstances, concerns and anxieties that



may be impacting individuals due to the pandemic, has been front and centre in much of our decision-making this year. For example, we have allowed veterinary surgeons to pay their annual renewal fees in instalments in recognition of the impact coronavirus has had on businesses and finances, and we reduced by 25% the amount of required annual hours of continuing professional development (CPD) because of the increased caring demands on many members of the profession.

Mind Matters

One of the actions under this ambition was also to continue to support the mental health and wellbeing of members of the professions via our Mind Matters Initiative, and this pledge gained extra significance in 2020 because of those additional stresses and strains the profession has found itself operating under. The Mind Matters Initiative itself has undertaken a number of additional activities, which include the publication of an online A to Z of Help & Advice during the pandemic; bespoke webinars on the impact of the pandemic on anxiety, team morale and obsessive-compulsive disorder; a sponsored webinar for veterinary students on staying healthy and dealing with pandemic-related uncertainty; and, a 'Wellbeing in Innovation' competition to recognise those practices who had worked especially creatively to boost staff morale.

The Initiative also continued with other activities such as the Sarah Brown Mental Health Research Grants which, in 2020, were awarded to two ground-breaking research projects looking at the impact of 'moral injury' on veterinary mental health and the impact of racism on the mental health of Black, Asian and minority ethnic (BAME) veterinary professionals. In addition, it continued to hold virtual mental health awareness training and emotional resilience events throughout the course of the year.

Learning culture

Fostering a reflective learning culture in which members of the veterinary team can continue to grow and develop in a supportive environment is another key action under our 'Compassion' ambition and, in this respect, in 2020 we undertook and completed a number of actions in spite of the considerable challenges. In January, we launched our new continuing professional development (CPD) framework, including outcomes-focused CPD, along with our new 1CPD learning and development programme which allows veterinary surgeons and nurses to plan, record and reflect on their continuous learning and professional development. Since its launch, the majority of both veterinary surgeons and veterinary nurses have signed up to use the platform for their professional development.



We also finalised the development of our new Veterinary Graduate Development Programme (VetGDP) and, in December, launched an information campaign aimed at letting students, graduates and veterinary practices know about the changes it will bring about. VetGDP, which will replace the Professional Development Phase from summer 2021, is a new structured programme of support for veterinary graduates that provides a meaningful and effective period of support for all veterinary graduates in the early years of their career. Under the current timetable the VetGDP will formally launch in summer 2021.

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, develop confident veterinary professionals.

Diversity and inclusion

In addition to the pandemic, one of the other key public debates in 2020 was around diversity and inclusion, recognising where barriers, marginalisation and discrimination continue to exist and developing concrete actions to mitigate them. The RCVS, and the wider veterinary profession, was not deaf to these conversations, with world events acting as a spur for our Diversity & Inclusion Group, set up in 2018, to continue its work of examining how the profession and its organisations could do more to further this agenda in areas such as race/ethnicity, disability, socio-economic status, sexuality, and gender identity.

As 2020 closed, the Diversity & Inclusion Group was finalising the publication of its Strategy, which would be published in February 2021, setting out how we and our partner organisations would work to help create veterinary professions where everyone can flourish, and which have no place for discrimination.

Our work around diversity and inclusion in 2020 was also given additional visibility due to the fact that, in Mandisa Greene, we had a President from a BAME background for the very first time. In particular, the historic nature of her presidency was flagged up during Black History Month in October when Mandisa undertook a number of public talks, including the prestigious McCall Lecture at the University of Glasgow, and was featured in an ITV documentary celebrating the achievement of Black British people in various fields of endeavour.

Career progression

We also made further progress around developing pathways for career progression for vets and nurses via postgraduate/post-registration accreditations and qualification. Our new postgraduate qualifications for

veterinary nurses – the Certificate in Advanced Veterinary Nursing or CertAVN – was launched in 2019 and has now been adopted by three higher education institutions, with two more candidate institutions on the horizon. This means that there are now CertAVNs available in anaesthesia, oncology, emergency and critical care and quality improvement for experienced veterinary nurses who wish to further their training in these designated areas.

Allied to this, our Education Team is also undertaking a review of our Certificate in Advanced Veterinary Practice (CertAVP) for veterinary surgeons as well as RCVS Advanced Practitioner status. As part of this review, we surveyed CertAVP holders and those with Advanced Practitioner status about potential improvements to the system, the responses to which are being considered by our Education Committee.

“Our work around diversity and inclusion was given additional visibility due to the fact that... we had a President from a BAME background for the very first time.”

Confidence

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

Preparedness

For many RCVS staff, the unsung heroes of 2020 have been our IT Team who, in an act of amazing foresight, had put in place the technological infrastructure in 2019 and early 2020



that would allow us relatively seamlessly to transition to all staff being able to work from home when lockdown was announced in March. This is in line with the 'digital first' technology strategy included under this ambition and, while a new strategy is now being developed, it has also led to a number of recent innovations from our IT Team including the 1CPD recording app and a forthcoming platform for the VetGDP programme.

Developing a means of managing risk and having the processes in place effectively to address early warning signs of risk is also an action that has had great resonance with the circumstances of 2020. While we might never have predicted a global pandemic, our focus on risk mitigation and robust internal processes helped us make timely decisions on managing risk, including protecting staff. All this was aided by the introduction of the Magique risk management tool, which is regularly updated by members of our Senior Team with input from members of their own teams. We also continue to engage our Council and committees in discussion around risk, including a workshop for Council members on risk appetite.

The internal diversity of the RCVS was also considered alongside that of the profession as part of the action to put in place a people strategy that develops our talent, diversity, leadership and culture. This included a mandatory two-part



diversity and inclusion training programme for all RCVS staff and the development of an internal strategy to ensure our policies around membership and registration, standards, concerns, meetings and events, grants and awards, marketing and outreach, and employment both promote and support diversity and inclusion.

COVID-19 pandemic

Like every other organisation and person in the UK and around the world, the coronavirus pandemic dominated our 2020 and so all of the achievements listed above must be seen in the context of being completed in spite of a situation that took up so much of our time, effort and headspace.

Throughout the course of the year, we had to cope with making decisions, changing our policies and protocols, and adapting our advice and guidance to the professions based on fast-changing situations and government guidance that could be drastically different depending on what part of the

country a veterinary practice was based in. We were supported in this by the establishment of a COVID-19 Taskforce comprising Officers, Committee chairs and senior staff with the ability to make agile decisions on behalf of the professions in response to fluctuating situations. We were aided in this by the heroic efforts of all of our profession-facing departments who worked through these challenges and increased workloads to keep the professions up-to-date with all the latest developments and temporary changes.

With much of our time being taken up by reacting to the pandemic – and staffing pressures arising from a combination of remote working, additional caring responsibilities, and illness – inevitably there are some elements of our Strategic Plan that were not advanced as far as they would have been in a 'normal year'. We hope that, as a semblance of normality returns in 2021 and beyond, we can pick up those threads and make good progress once again. ■



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 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. This is to be reviewed in 2021 to reflect the Estate Strategy.

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 £8m and the College currently exceeds this target. At 31 December 2020, the College held total reserves, less Belgravia House (our operational centre), of £ 21.3m including investments at market value. This is higher than the reserves calculation, per the formula, by £13.3m. The difference is being retained to provide funds for planned projects and the estate strategy.

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 2020 the value of the fund was £267,759 (2019 £399,978).

2016 + 2017 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 estate strategy, Alternative Dispute Resolution, the new Professional Conduct IT system and the Mind Matters Initiative. As at 31 December 2020 the value of the fund was £357,808 (2019 £409,541).

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 2022, a consideration of the key risks, including the impact of COVID-19, and the latest available valuation of the investment portfolio.

The COVID-19 pandemic has not had a significant impact on the College's income. 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, 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 events have been postponed, this represents a much smaller element of overall income. A key area of uncertainty relates to the impact of the current market turmoil on the valuation of investments. However, this can be accommodated within the forecasts and sensitivities. The RCVS had an unencumbered property asset, which was sold after the year end.

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, as well as being subject to external review via the Audit & Risk Committee. Furthermore each Department has its own Departmental Risk Register which is regularly reviewed and updated by staff within those teams.

Key risks in 2021 and 2020, together with their mitigations, were:

- Risk of COVID-19:** Following the declaration of COVID-19 as a worldwide pandemic by the World Health Organisation on 11 March 2020, we established a COVID-19 Taskforce on a temporary basis on 26 March 2020. The Taskforce has allowed us to speed up decision-making in a very fast-moving environment in which the UK government and the devolved administrations have been making almost daily announcements on restrictions to how we live and work. Its key function was to make decisions on temporary policy changes to how we regulate veterinary surgeons and veterinary nurses, and their education, in areas that were being impacted by the restrictions and social-distancing measures. Allied to this, before making major announcements on policy changes, we liaised with the Chief Veterinary Offices for the UK, Northern Ireland, Scotland and Wales who were our main liaison points with the UK and devolved governments. With the easing of restrictions from spring 2021 onwards, on 25 March 2021 we issued recovery guidance in-line with that issued by the UK and devolved governments, to gradually replace the previous emergency guidance and help veterinary practices begin a phased return to near-normal operations, subject to a number of provisions.

- Risk of Brexit:** While the UK-EU relationship was in the transition phase throughout 2020, meaning that there was a continuation of the status that the UK had while it was in the EU, throughout much of the year there was considerable uncertainty as to what the future relationship between the UK and EU would be upon the end of the transition period on 1 January 2021. While an EU-UK Trade and Cooperation Agreement was signed in late December, there was still uncertainty about the impact that this would have on the veterinary profession and veterinary capacity. In order to mitigate against these uncertainties, the RCVS continues to be in regular contact with the Department for the Environment, Food & Rural Affairs (Defra) via the Future Veterinary Capability & Capacity Project (VCCP) as well as having its own Brexit Taskforce with responsibility for identifying and mitigating against any threats caused by Brexit and exploiting the opportunities it offers. We also continued to work and be in communication with our European partners via the Federation of Veterinarians of Europe (FVE). In early 2021, RCVS Council narrowly passed proposals from Defra on temporary changes to the RCVS Temporary Register that would allow those on the temporary register to carry out the work of Official Veterinarians (OVs), provided they had the relevant qualifications and English language ability. Defra made these proposals due to OV shortages in abattoirs in England & Wales.
- Risk of failure of budgetary and financial controls leading to loss of confidence in RCVS:** The Finance & Resources Committee that has within its remit organisational and departmental budgets, IT, data and General Data Protection Regulation (GDPR) compliance, human resources and the College estate. Continued oversight on risk and financial controls also continues via the Treasurer, Officer Team, RCVS Senior Team and the Audit & Risk Committee. These processes continue into 2021.
- Risk of external factors including reputational damage arising from RCVS decisions:** The RCVS is committed to engagement and consultation with the public and profession over any proposed major changes. We also carry out regular horizon-scanning exercises to pick up future and potential issues and engage in communication training and strategic discussions with Officers and senior staff so that they can deal effectively with any crises.

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 and looking at the postholder's job description. 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 HR Director.

The CEO's salary is approved by the President, along with any performance awards.

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.

Performance in 2020 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 4.06%, compared to a benchmark return of 1.77%. ■

Susan Dawson

Approved by RCVS Council on

Susan Dawson, Treasurer

Date 10 June 2021

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 2020, 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 2020 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 College 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 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 23, 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 recognition of income and 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: 18th June 2021



Royal College of
Veterinary Surgeons
**Financial
Statements 2020**

Statement of Financial Activities for the year ended 31 December 2020

	Notes	2020			2019		
		Unrestricted		Total funds	Unrestricted		Total funds
		General fund	Designated funds		General fund	Designated funds	
£	£	£	£	£	£		
Income							
Income from activities							
Veterinary surgeons	2	10,502,289		10,502,289	9,723,801		9,723,801
Veterinary nurses	3	1,776,672		1,776,672	1,778,375		1,778,375
RCVS examinations		162,920		162,920	172,701		172,701
Register of Veterinary Practice Premises		215,022		215,022	212,895		212,895
Practice Standards Scheme			824,892	824,892		834,324	834,324
Investment income		296,184		296,184	422,966		422,966
Income from other trading activities							
Publications, other income and government grants		14,424	134,774	149,198	92,176		92,176
Disciplinary costs recovered		-		-	16,623		16,623
Total incoming resources		12,967,511	959,666	13,927,177	12,419,537	834,324	13,253,861
Expenditure relating to activities							
Regulatory functions		7,928,372	252,586	8,180,958	8,715,959	330,494	9,046,453
Veterinary nursing		957,462		957,462	963,829		963,829
RCVS examinations		144,581		144,581	163,976		163,976
Register of Veterinary Practice Premises		170,077		170,077	152,726		152,726
Practice Standards Scheme			822,196	822,196		1,008,601	1,008,601
Investment management costs		49,816		49,816	49,766		49,766
Support for RCVS Knowledge and other trusts	4	765,664		765,664	843,246		843,246
Total expenditure	6	10,015,972	1,074,782	11,090,754	10,889,502	1,339,095	12,228,597
Net operational income/(expenditure)		2,951,539	(115,116)	2,836,423	1,530,035	(504,771)	1,025,264
Net gains/(losses) on investments		215,386		215,386	1,683,491		1,683,491
Net income/(losses)		3,166,925	(115,116)	3,051,809	3,213,526	(504,771)	2,708,755
Transfers between funds		(68,633)	68,633	-	(513,034)	513,034	-
Net movement in funds		3,098,292	(46,483)	3,051,809	2,700,492	8,263	2,708,755
Reconciliation of funds							
Total funds brought forward	14	20,557,462	813,540	21,371,002	17,856,970	805,277	18,662,247
Total funds carried forward	14	23,655,754	767,057	24,422,811	20,557,462	813,540	21,371,002

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 14 to the financial statements.

Balance sheet

31 December 2020

Fixed assets	Notes	2020 £		2019 £	
Tangible fixed assets	10		2,340,686		2,414,549
Investments	11		12,960,816		12,795,349
			15,301,502		15,209,898
Current assets					
Debtors	12	300,970		359,741	
Short-term deposits and cash at bank		13,504,144		10,168,092	
		13,805,114		10,527,833	
Liabilities					
Creditors: amounts falling due within one year	13	(4,683,804)		(4,366,729)	
Net current assets			9,121,310		6,161,104
Net assets			24,422,812		21,371,002
Funds	14				
Designated funds			767,057		813,540
Unrestricted – general fund			23,655,754		20,557,462
Total funds			24,422,812		21,371,002

The financial statements were approved by RCVS Council and authorised for issue on 10 June 2021.



M Greene, President



S Dawson, Treasurer

Cashflow statement for the year ended 31 December 2020

	2020 £	2019 £
Net operational income	2,836,423	1,025,264
Depreciation of tangible assets	73,863	110,982
Investment income	(296,184)	(422,966)
(Increase) in debtors	58,771	(29,006)
Increase in creditors	317,075	384,735
Net cash inflow/outflow from operating activities	2,989,948	1,069,009
Investment income received	296,184	422,966
Realised (losses)/gains	(390,027)	37,864
Net cash (outflow)/inflow on returns on investments and servicing of finance	(93,843)	460,830
Capital expenditure		
Net on purchase of investments	439,947	(53,027)
Net cash outflow for capital expenditure	439,947	(53,027)
Increase/(decrease) in cash in the period	3,336,052	1,476,812
Cash brought forward	10,168,092	8,691,280
Cash carried forward	13,504,144	10,168,092
Increase in cash	3,336,052	1,476,812

Notes to the financial statements for the year ended 31 December 2020

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 (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 2021, identifying issues affecting the budget and cashflow forecasts to 31 December 2022, a consideration of the key risks, including the impact of COVID-19, and the latest available valuation of the investment portfolio.

The COVID-19 pandemic has not had 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 reliability and receipt it 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 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.

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

RCVS holds unrestricted and designated funds. Funds may be designated by Council for specific purposes as described in note 14.

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)

	2020 £	2019 £
Annual retention fees	9,882,406	9,065,610
Registration fees	380,653	455,242
Restoration fees	36,739	30,858
Fellowship annual fee	18,993	10,292
Specialist applications and fees	75,609	55,488
Advanced Practitioner applications and fees	107,889	106,311
Total	10,502,289	9,723,801

3. Income from veterinary nurses

	2020 £	2019 £
Student enrolment	364,765	383,290
Examinations	20,307	33,338
Annual retention fees	1,239,471	1,122,629
Registration fees	113,186	184,411
Restoration fees	13,972	19,474
Other	24,971	35,233
Total	1,776,672	1,778,375

4. Support for RCVS Knowledge and other trusts*

	2020 £	2019 £
Payments to RCVS Knowledge	440,319	440,319
Reallocation of support costs to RCVS Knowledge	225,345	282,427
	665,664	722,746
Payments to other trusts	100,000	120,500
Total	765,664	843,246

*see note 15 Related parties

5. Governance costs and Council and committee members' expenses

	2020 £	2019 £
Council and committee members' expenses	437,320	612,826
Audit including VAT	29,700	27,600
Staff costs	228,160	232,349
Total	695,180	872,775

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 48 (2019 – 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 2020

	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	-
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

The methods and principles for allocation and apportionment of costs are included in the accounting policies on pages 30 and 31.

	Direct costs £	Staff costs £	Reallocation support and governance costs £	2019 Total £
Regulatory functions	4,045,397	3,057,083	1,943,973	9,046,453
Veterinary nursing	229,149	497,522	237,158	963,829
RCVS examination costs	87,789	40,254	35,933	163,976
Register of Veterinary Practice Premises	56	80,804	71,866	152,726
Practice Standards Scheme	185,532	582,318	240,751	1,008,601
Investment management costs	49,766	-	-	49,766
Support for RCVS Knowledge and other trusts	560,819	-	282,427	843,246
	5,158,508	4,257,981	2,812,108	12,228,597
Governance costs	640,426	232,349	(872,775)	-
Support costs	986,909	952,424	(1,939,333)	-
Total expenditure	6,785,843	5,442,754	-	12,228,597

7. Net incoming resources for the year

This is stated after charging:		
	2020	2019
	£	£
Depreciation	73,863	110,982
Auditor's remuneration:		
Audit including VAT	29,700	27,600
Other services (taxation, risk systems)	10,037	8177

8. Staff costs and numbers

Staff costs were as follows:		
	2020	2019
	£	£
Salaries and wages	4,910,416	4,600,510
Social security costs	469,152	452,330
Pension contributions	424,954	389,914
Total	5,804,522	5,442,754

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

	2020	2020	2019	2019
	No. full-time	Headcount	No. full-time	Headcount
	equivalents		equivalents	
Regulatory functions	59	63	54	64
Governance	3	3	3	3
Veterinary nursing	7	8	7	8
RCVS examination costs	1	1	1	1
Practice Standards Scheme	6	27	7	27
Register of Veterinary Practice Premises	2	3	2	2
Support	18	18	13	14
Total	96	123	87	119

Staff earning over £60K only (including employee benefits, excluding pension)	2020	2019
£60,001 – £70,000	6	5
£70,001 – £80,000	2	3
£80,001 – £90,000	2	1
£90,001 – £100,000	3	3
£110,001 – £120,000	0	1
£120,001 – £130,000	1	1
£130,001 – £140,000	1	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 £977,895 (2019 – £1,043,025). Details of the remuneration policy are on page 23. There was a settlement agreement in 2020. The amount paid was £3,988.

9. Taxation

No tax charge is expected to arise relating to 2020 (2019: nil) as any tax liability has been offset against Gift Aid payments to RCVS Knowledge and other trusts. There is an unrecognised deferred tax liability relating to unrealised gains and losses on investments of £275,000. The College does not expect this to become payable in the foreseeable future.

10. Tangible fixed assets

Cost	Property £	Fixtures and fittings £	Total £
At the start and end of the year	3,055,027	1,247,525	4,302,552
Depreciation			
At the start of the year	653,221	1,234,782	1,888,003
Charge for the year	61,120	12,743	73,863
At the end of the year	714,341	1,247,525	1,961,866
Net book value			
At the end of the year	2,340,686	-	2,340,686
At the start of the year	2,401,806	-	2,414,549

11. Investments

	2020 £	2019 £
Fair value at the start of the year	12,682,512	10,879,182
Additions at historic cost	3,008,973	1,798,557
Disposals at opening market value	(3,048,239)	(1,628,952)
Investment Management Fees	(49,816)	(49,766)
Net gains on revaluation	215,386	1,683,491
	12,808,816	12,682,512
Cash balance	152,000	112,837
Fair value at the end of the year	12,960,816	12,795,349
Historic cost at the end of the year	8,580,061	8,256,821

Included in property is Belgravia House which was sold under a sale and leaseback agreement in March 2021.

The portfolio consists of the following:	Fair value 2020 £	Per cent of 2020 portfolio	Fair value 2019 £	Per cent of 2019 portfolio
UK equities	4,537,304	35.42%	5,500,163	43.37%
Overseas equities	4,812,653	37.57%	3,908,926	30.82%
UK fixed income	1,854,619	14.48%	1,924,626	15.18%
Overseas fixed income	513,505	4.01%	357,338	2.82%
Property	219,896	1.72%	237,352	1.86%
Alternative assets	870,839	6.80%	754,106	5.95%
Total (excluding cash)	12,808,816	100.00%	12,682,511	100%

12. Debtors: amounts falling due within one year

	2020 £	2019 £
RCVS Knowledge	15,203	28,648
Prepayments and other debtors	285,767	331,093
	300,970	359,741

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	400,186	379,137
Other creditors	183,984	206,254
Accruals	265,653	222,670
Deferred income	3,833,981	3,558,668
	4,683,804	4,366,729

Deferred income	2020 £	2019 £
Brought forward	3,558,668	3,254,402
Released in the year	(3,558,668)	(3,254,402)
Deferred in the year	3,833,981	3,558,668
	3,833,981	3,558,668

14. Movements in funds

Movements in funds during the year						
	Balance as at 01.1.20 £	Incoming resources £	Outgoing resources £	Gains in investments £	Transfer £	Balance as at 31.12.20 £
Unrestricted funds						
Designated funds						
Discretionary Fund	399,978	-	(50,852)		(81,367)	267,759
2016 + 2017 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	20,557,462	12,967,511	(10,015,972)	215,386	(68,633)	23,655,754
Total unrestricted funds	21,371,002	13,927,177	(11,090,753)	215,386	-	24,422,812

Movements in funds during the year						
	Balance as at 01.1.19 £	Incoming resources £	Outgoing resources £	(Losses) in investments £	Transfer £	Balance as at 31.12.19 £
Unrestricted funds						
Designated funds						
Discretionary Fund	373,332		(158,090)		184,736	399,978
2016 + 2017 Project Fund	431,945		(172,404)		150,000	409,541
Practice Standards Scheme		834,324	(1,008,601)		178,298	4,021
Total designated funds	805,277	834,324	(1,339,095)		513,034	813,540
General funds	17,856,970	12,419,537	(10,889,502)	1,683,491	(513,034)	20,557,462
Total unrestricted funds	18,662,247	13,253,861	(12,228,597)	1,683,491	-	21,371,002

Designated funds are backed by cash reserves.

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.

Discretionary Fund

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

2016 + 2017 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.

15. 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 £440,319 (2019: £440,319) were made to RCVS Knowledge in the period. Support costs of £225,345 were gifted to RCVS Knowledge in the period. £15,203 (2019: £28,648) 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 13). One member of RCVS Council is a trustee of the Veterinary Benevolent Fund, to which RCVS made a donation in 2020.





Royal College of
Veterinary Surgeons

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