

**Academy of
Medical Royal
Colleges**



Company Number: 03166361

Charity Number: 1056565

THE ACADEMY OF MEDICAL ROYAL COLLEGES
TRUSTEES' REPORT & FINANCIAL STATEMENTS
FOR THE YEAR 1 APRIL 2016 TO 31 MARCH 2017

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THE ACADEMY OF MEDICAL ROYAL COLLEGES

TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

The Board of Trustees present their report and the financial statements of the Academy of Medical Royal Colleges ("the Academy") for the twelve month period from 1 April 2016 to 31 March 2017.

The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102."

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees of the charity, who are also the directors of the company, were

Mr Charles Winstanley Chairman and Independent Trustee

Professor Dame Sue Bailey Council Chair (until July 2017)

Professor Alan Boyd Council member (from September 2017)

Ms Pam Charlwood Independent Trustee

Dr Tony Falconer Treasurer/Secretary (until June 2017)

Dr Suzy Lishman Council member

Ms Suzanne McCarthy (from April 2017)

Professor Carrie McEwen Council member until July 2017; Council chair from July 2017

Mr Miller Mclean Independent Trustee (From December 2016)

Professor Carol Seymour (from September 2017)

Dr Howard Young Independent Trustee (until March 2017)

The address of the charity and the registered office of the company is at
10 Dallington Street, London EC1V 0DB.

The charity is registered under charity number 1056565, and the company is incorporated with the company registration number 03166361.

The Trustees have made the following professional appointments:

Solicitor: Camerons Solicitors LLP, 70 Wimpole Street, London W1G 8AX

Accountant: Accountability Europe Ltd, Omnibus Workspace LTD, 39-41 North Road, London, N7 9DP

Auditor: Sayer Vincent LLP, Invicta House, 108-114 Golden Lane, London EC1Y 0TL

Banker: National Westminster Bank plc, 1 Cavendish Square, London W1A 4NU

The following key senior members of staff are responsible for the day-to-day management of the charity: Mr Alastair Henderson Chief Executive and Company Secretary

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status & History

The Academy of Medical Royal Colleges is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not

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exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

In April 1996, the Conference of Medical Royal Colleges and their Faculties in the UK agreed to change their name to The Academy of Medical Royal Colleges. The Academy was incorporated on 29 February 1996, and became a registered charity on 3 July 1996. New Governance arrangements and Articles of Association came into effect from April 2011 and new Regulations were adopted by the Trustees in May 2011.

Organisational Structure

The overall strategic direction of the charity is determined by the Board of Trustees advised by the Council. The work of the Academy is centred on the Council which comprises the Presidents of all member Colleges and Faculties. The Council has established a series of Committees to carry out the organisation's work. These comprise representatives of member Colleges and Faculties and, where appropriate, representatives from outside organisations.

There is an Officers Group comprising the Chairman of Council, two vice chairs, Treasurer/Honorary Secretary (now third Council member) and RCGP representative which directs work between Council meetings.

The Academy has a Chief Executive and employs other full and part time members of staff, who all work closely with the elected Officers. The Academy purchased premises at 10 Dallington Street, London EC1 in 2010 which provides office accommodation for staff and meeting space for Academy Council and Committee meetings.

Governance

Under the governance structure Colleges are corporate members of the Academy and their nominated representatives, who must be their current Presidents or senior officers, form the Academy Council. The Council is responsible for the development and implementation of Academy policy on healthcare issues. The Board of Trustees is responsible for the governance of the organisation and comprises an independently appointed Chairman, three further independent Trustees, two members of the Academy Council, the Chairman and Treasurer of the Council. At least two of the independent Trustees must not be medically qualified.

In May 2017 following the retirement of the postholder it was agreed by the Board and the Council that the role of Treasurer/Secretary was no longer required in its previous form. The post was therefore converted into a third Council nominated member with the proviso that one of the Council nominated members could serve for an additional period of two years to provide clinical membership continuity.

In 2016-17 the Board established an Audit and Risk Committee comprising four members of the Board. This looks at specific financial and risk issues in detail on behalf of the Board.

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

Method of Recruitment, Appointment, Election, Induction & Training of Trustees

Recruitment, Appointment & Election

The independent Trustees are appointed through a process of public appointment. The Regulations set out the composition of the panel required to appoint independent Trustees. For the Chairman of the Board this is

- Chairman of the Academy Council
- One of the Vice-Chairmen of the Academy Council
- One other current President who is not an Officer
- A senior member of the medical profession who must not be a current or past President of a College or Faculty, or a senior member of a non-medical profession
- A lay member of the Board

For the appointment of the other independent Trustees

- Chairman of the Trustee Board
- Chairman of the Council
- One senior medical professional who must not be a current or past President or Head Officer of a College or Faculty
- One senior non-medical professional

The two Council members are elected by the Council following a call for nominations. The Council Chairman and Treasurer are on the Board by virtue of their roles. They are elected to those roles by the corporate members of the Council.

Induction & Training

Trustees receive copies of Charity Commission guidance for Trustees together with the organisation's Articles and Regulations. The Academy also produces a handbook with information on each of its members, the Council meeting dates and its subcommittees. This is updated on a regular basis. Trustees receive a briefing on the organisation from the Chairman of the Trustees and the Chief Executive. Trustees are able to attend meetings of the Council to gain an understanding of the current policy issues.

There is an annual process of performance review and colleague feedback for Board members on an individual and collective basis and on seeking re-appointment.

External training is also provided for Board members on financial and governance issues through the Auditors.

Resources

The principal sources of income of the Academy comprise annual subscriptions from its constituent corporate members, the Colleges and Faculties, and monies payable to the Academy by grant funding bodies as administrator or manager of projects to be carried out either by the Academy directly or by Colleges and Faculties.

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

Risk & Corporate Governance Matters

A formal risk register has been developed, under the general headings of reputation, organisation and finance. Key risks identified during the year and the methods to reduce, manage or eliminate these risks are:

- ensuring financial balance. We are seeking to ensure continued external funding in the more difficult economic climate. A development day was held to discuss this.
- maintaining effective relationships with members and with Government. This is managed by collecting regular feedback and monitoring the relationships.
- Failure of IT systems or security breach. We manage this risk by using an external IT company and implementing contingency plans and security policies.

Monitoring of the risk register is the responsibility of the Audit and Risk Committee and Board of Trustees. In 2017 the Audit and Risk Committee reviewed and revised the format of the Risk Register.

The Board also receives a report on performance developments of the organisation at each meeting and also on future financial projections.

In 2016-17 the Board initiated a review of the organisation's current HR policies and procedures. Policies were amended in the light of the review and several new policies produced. The revised suite of HR policies was agreed by the Board at their meeting in May 2017.

There is a policy on conflict/declaration of interests, and individual Trustees are asked to complete declaration of interests forms on an annual basis. This is compiled into a register of interests which is reviewed annually by the Board

Indemnity Insurance

The charity has taken out an insurance policy that provides professional indemnity cover for the Trustees, officers and staff of the charity. The cost of this insurance policy to the charity for the period was £7,153 (12 months 2015-16 £4,717).

Trustees' & Directors' Responsibilities in the Preparation of Financial Statements

The Trustees (who are also the directors of The Academy of Medical Royal Colleges for the purposes of company law) are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the Trustees and directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Audit and Risk Committee met with the auditors to consider and discuss their findings

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Acts 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Statement as to Disclosure of Information to the Auditor

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The charitable objectives for which the charity was established and registered are stated in the Academy's Memorandum and Articles of Association as follows:

"The protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties as defined in their respective Charters and by providing a forum for discussion and collaboration among the Medical Royal Colleges and their Faculties (but without prejudice to the autonomy of each such body) so as to promote for the benefit of the public the efficiency and effectiveness of the Medical Royal Colleges and their Faculties"

Charitable Activities

In pursuance of its charitable objectives, the Academy's principal activity is sharing and co-ordinating the work of the Colleges and Faculties.

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The Academy is undertaking project work in a number of areas which cross College/Faculty boundaries. In particular the Academy is co-ordinating College and Faculty activity on issues relating to education and training, quality improvement and revalidation.

The Academy also supports and promotes the Medical Training Initiative (MTI) which enables overseas doctors to train in the UK for a limited period.

The Academy regularly meets Ministers and senior staff from the UK Department of Health and national level health services bodies to discuss issues of concern to the Colleges and Faculties relating to quality standards and postgraduate training and education. The Academy also responds to appropriate consultation documents on generic issues.

Benefits & Beneficiaries

In accordance with its charitable objectives, the Academy promotes the protection and preservation of health and the relief of sickness by supporting, promoting and co-ordinating the work of the Medical Royal Colleges and their Faculties. In doing so, it seeks to improve the quality of medical care for the benefit of patients. The charity's ultimate beneficiaries are therefore patients, and benefits to patients are provided through continuing to share and co-ordinate the work of the Colleges and Faculties.

Trustees' Assessment of Public Benefit

The Trustees have taken the Charity Commission's general guidance on public benefit (contained within the recently revised guidance publication "Charities and Public Benefit") into consideration in preparing their statements on public benefit contained within this Trustees' annual report

The Trustees are of the view that the pursuit of the Academy's objects provides public benefit and they believe the work of the Academy delivers public benefit as follows:

- Through the grant funding of cross College projects which have an express aim of providing public benefit
- Through the work of the Academy's Patient/Lay group, the co-option of the Chair of the Patient/Lay group onto the Academy and the involvement of lay members in all the major work streams run by the Academy such as Revalidation, education and quality improvement.
- Through the assessment of completed and on-going projects, particularly where one of the original criteria for approval of the project was the potential benefit to patients.
- Increasingly through an attempt to ensure that all the work of the Academy starts from a patient-centred approach

Indicators, Milestones & Benchmarks

The Academy Council and Board of Trustees reviews and agrees its work programme on an annual basis and considers the potential for public benefit of all work undertaken. The Board produces an annual work programme and business plan for the organisation. Progress in specific areas is monitored by the appropriate Committee and Council. The Chief Executive reports to the Council on the delivery of the work programme.

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

The progress of revalidation projects sponsored by the Academy is monitored closely by the Project Governance Committee or Revalidation Project Governance Committee against the milestones contained in the original project application. The success of project work is evaluated on a regular basis.

Copies of the Academy's reports and consultation responses are freely available and can be found on the Academy's website www.aomrc.org.uk.

Objectives and strategic aims

The Academy's overall objectives and strategic aims were revised by the Board in 2016-17

Our over-arching ambition

To be clearly recognised by all key stakeholders as the leading voice of the medical profession across the UK on cross-specialty matters relating to education, training and improving healthcare for patients.

This means:

- *Coordinating the views of the Medical Royal Colleges on cross-speciality issues and*
- *Representing those views to either the key external stakeholders or to Medical Royal Colleges to support their own work.*

With the following three strategic objectives

1. Providing the highest level of advice and influence on medical education, training and the improvement of healthcare for the benefit of patients.

We expect to do this by

- Ensuring that the Academy is recognised as the voice of doctors - not for doctors' own interests, but in support of the highest standards of patient care
- Taking a leading role in the early identification of issues of concern to patients and the profession
- Supporting the doctors' role as leaders in developing, managing and delivering services

2. Being of value and relevant to the needs of our internal and external stakeholders

We expect to do this by

- Taking a UK wide perspective on policy issues in general and in response to specific issues
- Seeking to ensure we reflect patients' views in all we do
- Actively promoting collaborative working between Colleges and Faculties
- Actively engaging with Governments and other appropriate external organisations
- Working with representatives of other clinical professions as appropriate
- Ensuring we do more of what adds value and cutting what doesn't

3. Ensuring good governance and financial stability

We expect to do this by

- Actively seeking alternative and additional sources of income, provided they are in line with the organisation's values and objectives

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

- Continuing to ensure that the Academy's expenditure remains in line with the income it generates
- Regularly reviewing governance and organisational arrangements to ensure they reflect best practice and can meet challenges as they emerge

Activity and Performance

The Academy's activities relate directly to the aims and objectives set out above.

The key work areas were

- *Education and training.* The Academy continued supporting Colleges and Faculties delivering on their education, training agendas through the co-ordination of cross-cutting issues. Key issues during the year related to the continuing work on the Shape of Training Review and the development of the Generic Professional Capabilities Framework with the GMC.
- *Revalidation and continuing professional development* particularly ensuring Academy and College/Faculty influence on the implementation of Revalidation and continuing to co-ordinate work in support of CPD
- *Healthcare policy and delivery* ensuring that the Academy and Colleges were key contributors to the development and implementation of healthcare policy and delivery by key stakeholders in Government and elsewhere. Policy to create a sustainable health and care system for the future was the key issue with the Academy's "Choosing Wisely" initiative a central part of our contribution to better quality care and appropriate use of resources.
- *Stakeholder Engagement and development* maintaining and developing the Academy's relationships with members and external organisations and building the Academy's media profile and reputation as a respected and authoritative voice for Colleges and Faculties. During 2016 the contractual dispute between junior doctors in England and the Government dominated the relationship with most stakeholders in one form or other. 2016 also saw the celebration of the Academy's 20th anniversary with the publication of book and event at the House of Lords in July 2016
- *Governance and administration* ensuring the efficient and effective running of the Academy

Full details of the Academy's activities during the period are set out in the accompanying document "Academy of Medical Colleges Review 2016-17"

FINANCIAL REVIEW

Financial Results of Activities & Events

The financial results of the charity's activities for the period ended 31 March 2017 are set out in the Statement of Financial Activities and supporting notes. The Academy's financial position is almost always finely balanced across its various programmes of work and, in the current climate of expanding levels of activity, the Trustees are carefully monitoring performance

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

against budgets via monthly management accounts to ensure that the charity remains financially viable.

During the 12 month period, the charity generated total incoming resources of £1,792,187 (2016: £1,260,297) and expended total resources of £1,479,291 (2016: £1,631,368).

Restricted Funds

The Academy holds a number of restricted funds relating to project work commissioned by external bodies. A number of these relate to activity which is expected to be undertaken on a continuing basis over more than a single year. Expenditure on the projects is managed carefully and allocated on an annual basis as appropriate.

Remuneration Policy

Remuneration policy is determined by the Board with decision on any pay uplift made in relation to economic indices and to the level of any rise in subscriptions.

Reserves Policy

The Trustees of the Academy of Medical Royal Colleges recognises the need to keep unrestricted free reserves at a level appropriate to the needs of the organisation.

The Academy has given consideration to its requirements in terms of reserves and believes free reserves are required by the organisation to

- fund unexpected expenditure e.g. unplanned events, project overruns, staffing cover for long term sickness;
- ensure continuity and fund shortfalls in income when income does not reach expected/required levels;
- provide funds to replace assets or capital development; and
- cover the cost of the closure of the charity.

This policy is reviewed by the Academy Board of Trustees on an annual basis.

At 31 March 2017, the Academy had unrestricted free reserves of £392,409. This represents 6 months of general running costs and the Board consider this to be adequate for the reserves policy.

The Board also created a designated fund, The Stability Fund, of £500,000 which is to cover specific expenditure related to the Academy's development programme, which is being evolved further during 2017/18.

There are no material uncertainties about the Academy's ability to continue as a going concern

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 MARCH 2017

Investments Policy

The Trustees are empowered to invest any monies not immediately required in or upon such investments, securities or property, as may be thought fit. The Board is reviewing its investment policy in 2017

PLANS FOR FUTURE PERIODS

Future Strategy, Activities & their Impact

The Academy has a clear work plan and budget. Future activities are planned by the Council at a Policy Away day and this feeds into the business planning and budget setting cycle introduced by the Board. This results in the development of an annual business plan agreed by the Board.

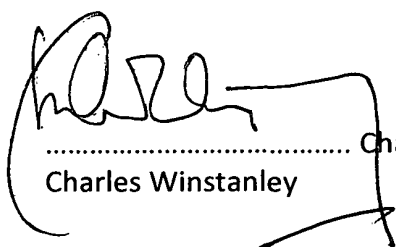
The Trustees are very aware of the possible decline in funding for projects from the DH because of the general economic climate and of the need to generate income from sources other than the Colleges and Faculties to ensure that project work can be delivered.

The Board and Officers have produced a development plan for consultation with members in 2017 which seeks views on the services the Academy should be providing for members and how they should be funded.

FUNDS HELD AS CUSTODIAN

Although the Academy maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party.

This report was approved by the Trustees on 18 September 2017, and was signed for and on behalf of the board by



..... Chairman of Board of Trustees

Charles Winstanley

18th September 2017

THE ACADEMY OF MEDICAL ROYAL COLLEGES

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

Opinion

We have audited the financial statements of The Academy of Medical Royal Colleges (the 'charitable company') for the year ended 31 March 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are 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 trustees determine 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2017

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Noelia Serrano (Senior statutory auditor)

Date: 7 / 12 / 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2017

	Note	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Income from:					
Charitable activities:	3				
Sharing & co-ordinating the work of the Colleges & Faculties		493,480	1,285,354	1,778,834	1,249,506
Investment income	4	13,353	-	13,353	10,791
Total income		506,833	1,285,354	1,792,187	1,260,297
Expenditure on:					
Charitable activities:	5				
Sharing & co-ordinating the work of the Colleges & Faculties		458,359	1,020,932	1,479,291	1,631,368
Total expenditure		458,359	1,020,932	1,479,291	1,631,368
Net income / (expenditure) before net gains / (losses) on investments		48,474	264,422	312,896	(371,071)
Net gains / (losses) on investments		110,598	-	110,598	(1,835)
Net income / (expenditure) for the year		159,072	264,422	423,494	(372,906)
Transfers between funds		663	(663)	-	-
Net income / (expenditure) before other recognised gains and losses		159,735	263,759	423,494	(372,906)
Net movement in funds		159,735	263,759	423,494	(372,906)
Reconciliation of funds:					
Total funds brought forward		1,585,399	1,811,094	3,396,493	3,769,399
Total funds carried forward		1,745,134	2,074,853	3,819,987	3,396,493

All of the above results are derived from continuing activities.

There were no other recognised gains or losses other than those stated above.

The attached notes form part of these financial statements.

Movement in funds are disclosed in note 14

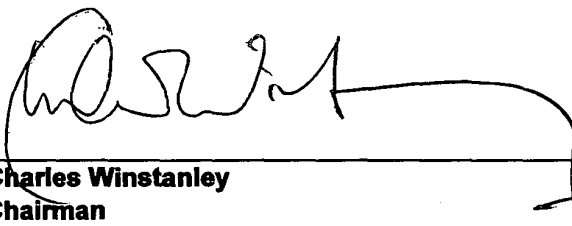
THE ACADEMY OF MEDICAL ROYAL COLLEGES

Balance sheet

As at 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets:					
Tangible assets	9		852,725		861,373
Investments	10		683,917		573,319
			<u>1,536,642</u>		<u>1,434,692</u>
Current assets:					
Debtors	11	530,411		192,182	
Short term deposits		-		1,000,000	
Cash at bank and in hand		<u>2,376,167</u>		<u>1,938,098</u>	
		<u>2,906,578</u>		<u>3,130,280</u>	
Liabilities:					
Creditors: amounts falling due within one year	12	<u>(623,233)</u>		<u>(1,168,479)</u>	
Net current assets			<u>2,283,345</u>		<u>1,961,801</u>
Total net assets			<u>3,819,987</u>		<u>3,396,493</u>
Funds	14				
Restricted funds			2,074,853		1,811,094
Unrestricted funds:					
Designated funds - building fund		852,725		861,373	
Designated funds - stability fund		500,000		500,000	
General funds		<u>392,409</u>		<u>224,026</u>	
Total unrestricted funds			<u>1,745,134</u>		<u>1,585,399</u>
Total funds			<u>3,819,987</u>		<u>3,396,493</u>

Approved by the trustees on 18 September 2017
and signed on their behalf by:


Charles Winstanley
Chairman

Company registration no. 03166361

The attached notes form part of the financial statements.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Statement of cash flows

For the year ended 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Net cash provided by operating activities	a		(545,020)		566,531
Cash flows from investing activities:					
Purchase of fixed assets		(16,911)		-	
Cash used in investing activities			(16,911)		-
Change in cash and cash equivalents in the year			(561,931)		566,531
Cash and cash equivalents at the beginning of the year			2,938,098		2,371,567
Cash and cash equivalents at the end of the year	b		2,376,167		2,938,098
a) Reconciliation of net Income / (expenditure) to net cash flow from operating activities			2017 £		2016 £
Net expenditure for the reporting period (as per the statement of financial activities)			423,494		(372,906)
Depreciation			25,559		23,274
Gains/ (losses) on investments			(110,598)		1,835
(Increase) / decrease in debtors			(338,229)		140,411
Increase / (decrease) in creditors			(545,246)		773,917
Net cash provided by operating activities			(545,020)		566,531
b) Analysis of cash and cash equivalents					
		At 1 April 2016 £	Cash flows £	Other changes £	At 31 March 2017 £
Cash at bank and in hand		1,938,098	(561,931)	1,000,000	2,376,167
Short term deposits (less than three months)		1,000,000	-	(1,000,000)	-
Total cash and cash equivalents		2,938,098	(561,931)	-	2,376,167

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies

Statutory information

The Academy of Medical Royal Colleges is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address is 10 Dallington Street, London, EC1V 0DB

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 - effective 1 January 2015) - (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income received in advance for the provision of specified service is deferred until the criteria for income recognition are met.

Credit is taken in the accounts for all membership subscriptions, which are receivable, as the membership year is co-terminus with the Academy's financial year. All other similar income are also accounted for on an accruals basis.

Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs of delivering services, exhibitions and other educational activities undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies (continued)

Allocation of support costs

All costs that cannot be identified as relating directly to the charity's principal activities are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the costs involved.

Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold property	over 50 years
Furniture and fittings	15% straight line
Computer equipment	over 3 to 5 years

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Pensions

The charity makes contributions into defined contribution pension schemes on behalf of employees. The assets of the schemes are held separately from those of the charity in independently administered funds. The amount charged to the statement of financial activities in respect of pension costs is the total contributions payable for the year.

Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Financial instruments

With the exception of the listed investments described above, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Grant making

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

2 Detailed comparatives for the statement of financial activities

	2016 Unrestricted £	2016 Restricted £	2016 Total £
Income from:			
Charitable activities:			
Sharing & co-ordinating the work of the Colleges & Faculties	408,395	841,111	1,249,506
Investment Income	10,791	-	10,791
Total income	<u>419,186</u>	<u>841,111</u>	<u>1,260,297</u>
Expenditure on:			
Charitable activities:			
Sharing & co-ordinating the work of the Colleges & Faculties	672,751	958,617	1,631,368
Total expenditure	<u>672,751</u>	<u>958,617</u>	<u>1,631,368</u>
Net income / (expenditure) before other recognised gains and losses	(253,565)	(117,506)	(371,071)
Net gains on investments	(1,835)	-	(1,835)
Net movement in funds	<u>(255,400)</u>	<u>(117,506)</u>	<u>(372,906)</u>
Total funds brought forward	1,840,799	1,928,600	3,769,399
Total funds carried forward	<u>1,585,399</u>	<u>1,811,094</u>	<u>3,396,493</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Sharing and co-ordinating the work of the Colleges and Faculties:				
Subscription from members	403,448	-	403,448	389,022
Grants and other similar funding	66,654	1,285,354	1,352,008	841,111
Other income	23,378	-	23,378	19,373
Total income from charitable activities	<u>493,480</u>	<u>1,285,354</u>	<u>1,778,834</u>	<u>1,249,506</u>

4 Income from investments

	Unrestricted £	Restricted £	2017 Total £	2016 Total £
Bank interest	13,353	-	13,353	10,791
	<u>13,353</u>	<u>-</u>	<u>13,353</u>	<u>10,791</u>

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

5 Analysis of expenditure

	Charitable activities		Support costs	Governance costs	2017 Total	2016 Total
	Grants payable	Other direct costs				
	£	£	£	£	£	£
Grants payable (See note 18)	27,250	-	-	-	27,250	373,102
Other direct costs	-	494,872	-	-	494,872	381,144
Staff costs (See note 7)	-	281,389	299,359	26,031	606,779	581,612
Committees & forums expenses	-	-	50,376	4,186	54,562	53,558
Public relations costs including Indigo Research	-	-	117,421	-	117,421	85,784
Operating lease rentals	-	-	5,396	-	5,396	7,062
Premises costs	-	-	46,774	-	46,774	31,862
Other printing, postage, stationery, admin costs	-	-	15,007	-	15,007	10,569
Insurance	-	-	12,145	-	12,145	7,607
Communication costs	-	-	29,059	-	29,059	24,649
Audit fees	-	-	-	10,200	10,200	8,160
Accountancy services	-	-	32,754	-	32,754	41,661
Bank and credit card charges	-	-	1,513	-	1,513	1,324
Depreciation - owned assets	-	-	25,559	-	25,559	23,274
	27,250	776,261	635,363	40,417	1,479,291	1,631,368
Support costs	-	635,363	(635,363)	-	-	-
Governance costs	-	40,417	-	(40,417)	-	-
Total expenditure 2017	27,250	1,452,041	-	-	1,479,291	
Total expenditure 2016	373,102	1,258,266	-	-		1,631,368

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

6 Net income / (expenditure) for the year

	2017 £	2016 £
This is stated after charging / (crediting):		
Operating lease rentals:		
Other equipment	5,396	7,062
Depreciation	25,559	23,274
Auditor's remuneration:		
Audit fees	7,000	6,750
Trustees' expenses	4,186	2,267

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:	2017 £	2016 £
Salaries and wages	497,212	487,887
Social security costs	53,254	52,168
Employer's contribution to defined contribution pension schemes	46,998	33,396
Luncheon vouchers	5,280	4,920
Temporary and other staff costs	4,035	3,241
	606,779	581,612

The following number of employees received employee benefits (excluding employer National Insurance and employer pension) over £60,000, during the year in the following band:

	2017 No.	2016 No.
£100,000 - £110,000	1	1

The total employee benefits including employer National Insurance and pension contributions of the key management personnel were £124,761 (2016: £123,497).

The charity has taken out an insurance policy that provides professional indemnity cover for the trustees, directors and staff of the charity. The cost of this insurance policy to the charity for the year was £7,153 (2016: £4,717).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil). Details of trustee expenses are shown in note 6.

Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2017 No.	2016 No.
Office and administration	2.5	2.5
Charitable activities	11.5	10.5
	14	13

8 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

9 Tangible fixed assets	Leasehold property	Furniture & fittings	Computer equipment	Total
Cost	£	£	£	£
At the start of the year	963,151	48,511	117,433	1,129,095
Additions in year	-	651	16,260	16,911
At the end of the year	<u>963,151</u>	<u>49,162</u>	<u>133,693</u>	1,146,006
Depreciation				
At the start of the year	106,013	45,083	116,626	267,722
Charge for the year	19,659	2,411	3,489	25,559
At the end of the year	<u>125,672</u>	<u>47,494</u>	<u>120,115</u>	293,281
Net book value				
At the end of the year	<u>837,479</u>	<u>1,668</u>	<u>13,578</u>	852,725
At the start of the year	<u>857,138</u>	<u>3,428</u>	<u>807</u>	<u>861,373</u>

All of the above assets are used for charitable purposes.

10 Investments	2017	2016
Investments at fair value:	£	£
Investment funds	<u>683,917</u>	<u>573,319</u>
	<u>683,917</u>	<u>573,319</u>
Movements		
Fair value at the start of the year	573,319	575,154
Net (losses) / gains on revaluation	110,598	(1,835)
Fair value at the end of the year	<u>683,917</u>	<u>573,319</u>
Historic cost at the end of the year	<u>500,000</u>	<u>500,000</u>

11 Debtors	2017	2016
	£	£
Trade debtors	485,862	167,678
Other debtors	16,583	18,307
Prepayments and accrued income	<u>27,966</u>	<u>6,197</u>
	<u>530,411</u>	<u>192,182</u>

12 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	66,787	41,863
Taxation and social security including pension	20,117	15,965
Other creditors	13,704	15,356
Accruals	10,800	258,050
Deferred income	<u>511,825</u>	<u>837,245</u>
	<u>623,233</u>	<u>1,168,479</u>

Deferred income	2017	2016
	£	£
Balance at the beginning of the year	837,245	31,364
Amount released to income in the year	(837,245)	(31,364)
Amount deferred in the year	<u>511,825</u>	<u>837,245</u>
Balance at the end of the year	<u>511,825</u>	<u>837,245</u>

Deferred income comprises funds received in advance of activities and events in the 2017/18 financial year.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

13 Analysis of net assets between funds

	General unrestricted 2017 £	Designated 2017 £	Restricted 2017 £	Total funds 2017 £
Tangible fixed assets	-	852,725	-	852,725
Investments	183,917	500,000	-	683,917
Net current assets	208,492	-	2,074,853	2,283,345
Net assets at the end of the year	392,409	1,352,725	2,074,853	3,819,987

13b Analysis of net assets between funds - comparative

	General unrestricted 2016 £	Designated 2016 £	Restricted 2016 £	Total funds 2016 £
Tangible fixed assets	-	861,373	-	861,373
Investments	73,319	500,000	-	573,319
Net current assets	150,707	-	1,811,094	1,961,801
Net assets at the end of the year	224,026	1,361,373	1,811,094	3,396,493

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

14 Movements in funds

	At the start of the year 1 April 2016	Incoming resources & gains	Outgoing resources & losses	Transfers	At the end of the year 31 March 2017
	£	£	£	£	£
Restricted funds:					
Revalidation Fund	730,705	-	236,891	-	493,814
Medical Management Fund	51,358	-	20,000	-	31,358
e-Lfh Fund	221,663	-	78,820	-	142,843
Education and Training Projects	73,992	51,000	111,631	-	13,361
UK Donation Ethics Fund	26,871	-	26,208	(663)	-
Flexible Careers Committee	1,691	5,600	1,836	-	5,455
HEE	210,436	754,950	131,250	-	834,136
COPMed and COGPed	106,930	193,000	270,466	-	29,464
International	5,150	-	-	-	5,150
Medical Training Initiative	192,452	80,000	57,436	-	215,016
Matched Funds	97,703	-	24,000	-	73,703
Quality Improvement	39,827	102,245	2,000	-	140,072
Choosing Wisely/ Decisions of Value	39,613	-	18,044	-	21,569
HISLAC	12,703	10,889	16,900	-	6,692
Wales Academy	-	87,670	25,450	-	62,220
Total restricted funds	1,811,094	1,285,354	1,020,932	(663)	2,074,853
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	861,373	-	35,399	26,751	852,725
Designated Stability Fund	500,000	-	-	-	500,000
Total designated funds	1,361,373	-	35,399	26,751	1,352,725
General funds	224,026	617,431	422,960	(26,088)	392,409
Total unrestricted funds	1,585,399	617,431	458,359	663	1,745,134
Total funds	3,396,493	1,902,785	1,479,291	-	3,819,987

This financial year we have included prior year contributions towards core expenditure in order to bring restricted funds in line with expectation.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

14 Movements in funds (continued)

Purposes of restricted funds

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out below:

The Revalidation Fund. was set up in 2005 with the support of the General Medical Council to cover the costs of this project over an initial two year period. During 2007/2008, further funding was provided by the Department of Health to significantly extend and expand this work. Grants have been provided to Colleges and faculties for a range of activities to support the introduction of revalidation. The fund supports the work of the Academy's revalidation staff. The work is overseen by the Revalidation Project Governance Committee and Revalidation and Professional Development Committee.

The Medical Management Fund. was set up with the support of the Department of Health to produce a framework of general competencies in management and leadership to be attained by doctors at the three defined career stages. The fund continues to support work in respect of medical leadership.

The e-Lfh (e-learning for health) Fund. was set up in 2008 with funding from DH e-learning for health to enable the Academy to pay costs for individuals writing e-learning material for joint projects between the Academy and e-Lfh. Further funding has been provided through NHS England to support the continued revision of the e-learning programmes and development of new work.

Education and training projects. This fund covers a number of specific commissioned projects or work areas in relation to education and training:

Foundation. This fund covers funding for specific work in relation to the regular review and updating of the Foundation curriculum which the Academy undertakes for the UK Foundation Programme.

Generic Professional Capabilities. This funding from the GMC supports work for a 12 month period on developing guidance on the Generic Professional Capabilities framework. It funds a part-time staff member.

Broad based training. This funding from HEE supported the development of the Broad based Training programme and subsequent evaluation of the programme.

The UK Donation Ethics Committee. was established in January 2010 as a subcommittee of the Academy with funding from the four UK health departments. The purpose of the UKDEC is to be an independent source of advice and guidance on ethical issues relating to the field of organ donation and transplantation. Funding continues from the UK Health Departments. (This project has now finished as of May 2016).

The Flexible Careers Committee. is a cross-College Group under the auspices of the Academy funded by a small separate levy of Colleges. Funding supports secretariat and other administrative costs.

HEE. This fund covers major work areas with HEE:

Contracting. This fund covers major work areas with HEE. Specifically it has covered support for the Medical and Dental Recruitment and Selection project (MDRS) and Better Training Better Care project.

Journal. This funds a project with HEE over two years to establish an Academic Journal for health education and workforce issues. The funding pays for the lead staff seconded to the Academy, possible further staff and production costs.

COPMeD/COGPED. are the UK bodies bringing together representatives of Deaneries/LETBs to provide a strategic overview and operational delivery of postgraduate medical and GP training and ensuring quality of care and patient safety on a UK wide-basis. From August 2012 an agreement reached between AOMRC & COPMeD for AOMRC to host the budget and the Executive Assistant post for this group.

International. This covers work undertaken by The Academy International Forum International Forum Bi-lateral fund. Ongoing arrangements for the hosting of the International Forum are being considered by the Academy and funds may transfer to a future host

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

14 Movements in funds (continued)

Purposes of restricted funds (continued)

Medical Training Initiative (MTI). The Academy is commissioned by the Department of Health to be the national sponsor of the MTI scheme which provides two year training opportunities for overseas doctors in the NHS. Funding supports College MTI activity as well as the Academy MTI management of the scheme.

Matched Funding. Funding has been received from the Department of Health / NHS England to support a range of projects undertaken by Colleges on the condition they matched the funding awarded. Applications for funding are considered and overseen by the Project Governance Committee.

Quality Improvement. The Training for Better Outcomes project, jointly funded by HEE and The Health Foundation, is developing a robust structured framework of QI methodology and infrastructure to support QI in education.

Choosing Wisely / Decision of Value. This is a flagship initiative looking seeking to identify health intervention of limited value and promote discussion and shared decision between clinicians and patients which may lead to reductions in interventions of limited value

HISLAC (High-Intensity Specialist-Led Acute Care). This is a research project carried out by Birmingham University funded by NIHR looking at the impact of high intensity i.e. consultant present care in relation to weekend and weekday working. The Academy receives some funds for its input and support.

Wales Academy. All costs relating to the Academy of Medical Royal Colleges in Wales

Juniors Doctors Review. The Proposed (and subsequently cancelled) review of the Junior Doctors Morale.

Designated Funds:

Designated Funds are those allocated from within the Academy's overall general funds by the Trustees for specific purposes or projects determined by the Council and Trustees. They are kept as separate funds in the balance sheet for the duration of the project.

Designated Building Fund. This fund represents the value of the fixed assets of the Academy property at 10 Dallington Street. The outgoing resources are the depreciation of the capital value and minor repairs.

Designated Stability Fund. This fund has been designated by the Trustees as a reserve to meet any shortfall in other funding sources and provide continued funding for the running of the Academy for a period of six months.

THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

17 Related party transactions

There are no related party transactions to disclose for 2017 (2016: none). There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are payments to and from members and trustees which are part of the normal course of business. Expenses reimbursed to trustees are disclosed in note 6.

18 GRANTS PAYABLE AND OTHER SIMILAR SUBCONTRACTED PROJECT WORK COSTS

Clinical commissioning project

Royal College of Physicians of London

Revalidation project:

The Royal College of Paediatrics and Child Health

The Royal College of Physicians of London

The Royal College of Surgeons of England

e-Lfh(DoH)

Aarden

Matched Funding Projects

Royal College of Physicians of London

MTI:

Royal College of Surgeons of England

Royal College of Obstetricians and Gynaecologists

Royal College of Paediatrics and Child Health

Royal College of Anaesthetists

College of Emergency Medicine

Royal College of Physicians of London

Royal College of Ophthalmologists

Royal College of Surgeons Edinburgh

Royal College of Pathologists

Royal College of Physicians of Edinburgh

Royal College of Physicians & Surgeons of Glasgow

ENT UK

Royal College of Psychiatrists

Royal College of Radiologist

2017	2016
£	£

- 5,600

- 10,200

- -

- 1,000

- 9,300

- 147,000

- 7,547

- 20,126

- 31,447

- 23,899

- 4,193

27,250 59,539

- 13,836

- 21,384

- 3,774

- 2,935

- 3,774

- 2,516

- 2,516

- 2,516

TOTAL GRANTS PAYABLE

27,250	373,102
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THE ACADEMY OF MEDICAL ROYAL COLLEGES

Notes to the financial statements

For the year ended 31 March 2017

14b Movements in funds - comparative

	At the start of the year 1 April 2016	Incoming resources & gains	Outgoing resources & losses	Transfers	At the end of the year 31 March 2017
	£	£	£	£	£
Restricted funds:					
Revalidation Fund	834,432	12,400	116,127	-	730,705
Medical Management Fund	51,522	-	164	-	51,358
e-Lfn Fund	334,037	-	112,374	-	221,663
Education and Training Projects	92,314	-	18,322	-	73,992
UK Donation Ethics Fund	27,208	39,635	39,972	-	26,871
Flexible Careers Committee	2,621	-	930	-	1,691
HEE	211,651	222,391	223,606	-	210,436
COPMed and COGPed	88,595	215,066	196,731	-	106,930
International	5,150	-	-	-	5,150
Medical Training Initiative	151,746	280,000	239,294	-	192,452
Matched Funds	105,086	-	7,383	-	97,703
Quality Improvement	8,463	31,364	-	-	39,827
Decisions of Value	15,775	-	-	-	15,775
HISLAC	-	12,703	-	-	12,703
Choosing Wisely	-	27,552	3,714	-	23,838
Total restricted funds	1,928,600	841,111	958,617	-	1,811,094
Unrestricted funds:					
Designated funds:					
Designated Building Fund (STA)	932,519	-	23,274	(47,872)	861,373
Designated Stability Fund	500,000	-	-	-	500,000
Total designated funds	1,432,519	-	23,274	(47,872)	1,361,373
General funds	408,280	419,186	651,312	47,872	224,026
Total unrestricted funds	1,840,799	419,186	674,586	-	1,585,399
Total funds	3,769,399	1,260,297	1,633,203	-	3,396,493

15 Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Equipment:		
Less than 1 year	6,378	7,058
1 - 5 years	14,093	20,471
	20,471	27,529

16 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.