



Charity Number: 299872  
in England and Wales  
SCO45652 in Scotland

# The Royal College of Ophthalmologists

Report and financial statements  
For the year ended 31 December 2015

# The Royal College of Ophthalmologists

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### For the year ended 31 December 2015

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# The Royal College of Ophthalmologists

## Reference and administrative details

For the year ended 31 December 2015

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**Charity number** 299872 in England and Wales and SC045652 in Scotland

**Registered office and operational address**

18 Stephenson Way  
London  
NW1 2HD

**Status** The College was incorporated under Royal Charter on 14 April 1988 and was registered as a charity on 2 August 1988 in England and Wales and on 29 May 2015 in Scotland.

**Governing document** The College is governed by the rules and regulations set down in the Ordinances and enacted within its Royal Charter.

**Summary of investment powers**

The College has been given, by Royal Charter, wide powers to invest monies not immediately required. It can follow the Trustee Act 2000; in practice, the College has appointed Sarasin & Partners LLP as investment managers.

**Honorary officers** The Honorary Officers who are also, together with other members of Council, Trustees of the College and who served during the year and up to the date of this report were as follows:

Prof C MacEwen	President
Mr M Hayward	Senior Vice President (to September 2015)
Mr P Tiffin	Senior Vice President (from September 2015)
Mr M Burdon	Vice President
Mr B Chang	Vice President
Mr P J McDonnell	Honorary Treasurer
Mr W Newman	Honorary Secretary
Mr M Watts	Vice President

**Principal staff** Chief Executive Mrs K Evans

**Investment managers** Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London  
EC4M 8BU

# **The Royal College of Ophthalmologists**

## **Reference and administrative details**

**For the year ended 31 December 2015**

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### **Solicitors**

Camerons Solicitors LLP  
70 Wimpole Street  
London  
W1G 8AX

Wilsons LLP  
4 Lincolns Inn Fields  
London WC2A 3AA

### **Auditors**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
Invicta House  
108–114 Golden Lane  
LONDON  
EC1Y 0TL

# **The Royal College of Ophthalmologists**

## **Report of the Trustees**

### **For the year ended 31 December 2015**

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The members of Council who are the Trustees of the College present its report and the audited financial statements for the year ended 31 December 2015.

The reference and administrative information set out on pages 1 and 2 forms part of this report. The financial statements comply with current statutory requirements, the College Ordinances and the Statement of Recommended Practice – Accounting and Reporting by Charities (issued March 2005).

### **Objects of the College**

The objects of the College are to:

- advance the science and practice of ophthalmology
- educate medical practitioners in the science and practice of ophthalmology
- maintain proper standards in the practice of ophthalmology for the benefit of the public
- promote study and research on ophthalmology and related subjects and publish the useful results of such study and research
- provide further instruction and training in ophthalmology both in the United Kingdom and overseas
- educate the general public in all matters relating to vision and the health of the human eye

### **The Structure, Governance and Management Arrangements of the College**

The College is incorporated under a Royal Charter granted in 1988. The College is governed by the rules and regulations set down in the Ordinances enacted as part of its Charter.

The College is governed by a Council (its Trustees) who are either elected by the membership in secret ballots or appointed. 20 members are elected on a geographical basis and there are up to eight honorary officers, seven of whom have been elected by members of Council. The most recent addition was selected under a new appointments system. The President is elected by those Fellows and Members who pay a subscription. In addition, the Council may co-opt up to four members and appoint to fill casual vacancies between elections.

# The Royal College of Ophthalmologists

## Report of the Trustees

### For the year ended 31 December 2015

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Much of the work of the College is delegated to a number of Committees of Council which have the power to co-opt both other members of the College and others to serve on Committees. The College currently operates the following main Committees:

Professional Standards	Examinations
Scientific	European and International
Education	Lay Advisory Group
Training	Ophthalmologists in Training
Finance	SAS Ophthalmologists' Group

The day to day management of the College is delegated to the Chief Executive, Mrs Kathy Evans, who manages a staff of 30, a number of whom are part-time.

The College provides all new Trustees with an induction pack which outlines their responsibilities and gives an overview of the College, its functions and how it operates. In addition, training is provided on a range of relevant topics both to the Council as a whole and to individuals or groups where specific knowledge is required.

### Risk Assessment

The Council understands that it has a duty to identify the major risks to which the College is, or might be, exposed. It also has a duty to establish systems to ensure that the exposure to these risks are minimised. This is a continuing process as risk management is an integral part of all decisions that the Council makes. During 2015 the Council, College Committees and staff considered key risk areas and ensured that the appropriate monitoring and control systems were in place. In addition during the year the College took advice from third party experts to assess the key operational risks to which the College was exposed and the systems in place to mitigate and counter these risks. The key operational, reputational and financial risks are included in a risk matrix which is review regularly by managers and action is taken to ensure that mitigation measures are in place and acted on by all staff. The key risks identified are:

- That employing NHS Trusts do not allow members to spend time on College business
- As a result, the burden on those members able to provide services to the College as examiners, trainers etc increases
- Failure of key College IT systems

The Council considers that the major risks have been identified and adequate systems are in place to monitor the College's exposures and manage these risks.

#### **The Aims, Objectives and Activities of the College**

The College is the professional body for ophthalmologists. It is responsible for creating and maintaining standards in ophthalmic training and practice. It organises the examination system and sets the curriculum. It maintains a Continuing Professional Development (CPD) system and provides a range of surgical skills courses for trainees. It organises an annual scientific congress for ophthalmologists and related professions, produces clinical guidelines and publishes the scientific journal “Eye”. It promotes study and research in ophthalmology. As part of its role in standard setting it provides systems to support those doctors practising ophthalmology in the UK as they prepare for revalidation of their competence to practice.

The Council and its Committees regularly review the ways in which the activities of the College are carried out to enable the College to achieve its aims. In doing this the Council and all staff and Committees have regard to the Charity Commission guidance on public benefit. This is also taken into account in the planning of future activities. The ways in which the work of the College delivers public benefit are described in more detail in the remainder of this report.

The work that the College does in pursuing its aims benefits all ophthalmologists in the UK (including those who are not members of the College) as well as all those members of the public requiring treatment by an ophthalmologist or those in related professions.

#### **The Achievements and Performance of the College during the year**

In line with its objectives the College has continued to manage examinations for those training in Ophthalmology in the UK and has assisted in local examinations in East Africa in 2015, as well as running its own examinations in the Far East. It has continued discussions with the General Medical Council about further improvements in the examinations regime.

As part of its ongoing objective to provide training support it has continued to provide an online CPD recording system. It has also made it more useful to the revalidation process that all doctors now undergo. It has commissioned a new version of the e-portfolio for trainees which will also incorporate the online CPD system: it expects that the new system will be operational from August 2016.

It has continued to provide an online training log book for trainees.

As planned The College ran 11 Microsurgical Skills courses for trainees during 2015 and further skills courses ensuring that the Skills Centre was well used.

The College continued to engage with the Department of Health about the implementation of the “Shape of Training Review” and continues to put the case for ensuring adequate practical training for all ophthalmology trainees.

## **Report of the Trustees**

### **For the year ended 31 December 2015**

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As part of its planned operations the Professional Support Department of the College ran a successful scientific Congress in Liverpool which was attended by more than 1200 ophthalmologists and those in related professions. The Congress was preceded by specialist days devoted to retina, neuro-ophthalmology and glaucoma treatment developments.

The College continued with a regular seminar programme both at its main premises in London and at other locations around the UK. These were well attended by all levels of the profession. The College received NICE accreditation for its Commissioning Guidance. It has completed Commissioning Guidance for Cataract Surgery and Commissioning Guidance on Glaucoma Services is nearing completion.

The three year contract with the Health Quality Improvement Partnership to carry out a national audit of cataract procedure outcomes in England had its first full year of operation. The work so far has concentrated on the collection and analysis of data. The first publication of data analysis will take place during 2016.

The College completed the funding of two joint research fellowships with the Medical Research Council in 2015, the second of which was partly provided from funds raised in memory of former College President John Lee.

The College began the year with a new customer relationship management (CRM) system which replaced the old membership system and a number of other internal systems. This had gone live in October 2014 and allowed the College to respond to the request of a large number of members for the collection of membership fees in two instalments from January 2015. During the year a number of changes were made to improve its functionality. Work was also completed on the development of a new website which went live in March 2015 and allows a much closer interaction with the College membership.

As agreed by Council as one of its operational objectives for the year the College carried out, with professional help, a review of its internal structure. As a result of this review the internal staffing structure was changed. The key elements were to amalgamate the former Scientific and Professional Standards Departments into a single Professional Support Department, to add resources to the central support functions of the College, to increase the resources available for Communications both with members and other stakeholders and to focus more resource on the delivery of training events. As a consequence of this reorganisation two members of staff were made redundant and three additional staff posts were created.

As part of the implementation of the five year strategic plan during 2015 the Council (as the College Trustees) established a working party to consider the governance arrangement of the College. The Trustees have accepted the recommendations of the working party. The proposal is that overall responsibility for governance be vested in a smaller board of Trustees which would include a minority of lay members. Council would retain responsibility for all clinical and medical matters and would nominate the majority of Trustees. The proposals require an amendment to the Royal Charter and the Ordinances and approval for the changes will be sought at the 2016



# **The Royal College of Ophthalmologists**

## **Report of the Trustees**

### **For the year ended 31 December 2015**

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AGM. The Council as the current Trustee body has obtained agreement in principle for the changes from the Privy Council.

The vast majority of the examining, education and training activities of the College are provided by members of the College as volunteers. It is estimated that around 40% of the consultant membership of the College membership participates in some way in these activities. Both the Staff and Associate Specialist members and Trainee members also participate in aspects of these activities and contribute particularly to the development of specialist systems to support their training and education.

#### **How our activities deliver public benefit**

The range of services provided by the College are set out on the face of the Statement of Financial Activities and are described in more detail in this report. Membership of the College is available to all those doctors who practice ophthalmology in the UK and overseas. Subscription levels vary in line with the earnings of members. All the activities of the College are directed to ensure high standards in the practice of ophthalmology for the benefit of both the medical profession and the general public. The College website is a key mechanism for providing information and services to both the general public and the College membership.

#### **A review of the finances of the College**

The results for the year are summarised in the Statement of Financial Activities on page 15 with further details shown in the notes to the accounts. The overall net incoming resources before transfers amounts to £31,000. This is combination of a surplus on the restricted and endowment funds of the College of £64,000, an excess of expenditure over income after transfers on the unrestricted funds of £29,000 and net loss on the value of investments of £4,000.

A major component of expenditure this year is the depreciation of the costs of 18 Stephenson Way and its installed contents and systems: this amount to £327,000. The building is being depreciated over 30 years. The electronic equipment and other moveable furniture and systems are being written off over periods of between three and ten years.

The resources expended totalled £4,293,000 of which £245,000 relates to the costs of activities funded by external parties who have given funding for restricted purposes. The remaining expenditure of £4,048,000 on unrestricted funds includes central costs of £1,542,000 which are allocated to the individual departments on the basis of the number of staff employed in each department. The departmental expenditure both before and after this allocation is shown in more detail in note 7.

#### **Remuneration of Key Management Staff**

The remuneration of the Chief Executive is set by the Trustees by benchmarking against an appropriate position on the NHS paycales. For all other staff, including the senior management

## **Report of the Trustees**

**For the year ended 31 December 2015**

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team, the College generally applies the salary scales of the University and Colleges Employers Association.

### **Plans for the future**

At the end of 2014 the College adopted a new strategic plan for the period to 2019. The strategy was endorsed by the Council following a wide consultation with members and stakeholders.

The three key objectives are:

- 1 To continue to develop education, training and assessment to meet the needs of patients and ophthalmology specialists now and in the future.
- 2 To influence and uphold standards in eye health through proactive leadership and expertise in the field of ophthalmology for the benefit of patients
- 3 To better represent, support and engage with members of the College.

The College will continue to engage with the Government about the impact of changes to the NHS as they affect ophthalmologists and the practice of ophthalmology to ensure that patients receive the best possible treatment and care.

The College intends to continue to support the specialist training schemes for ophthalmologists in the UK even if the funding formerly provided by the Department of Health is no longer available.

The College will continue to invest in the systems which enable ophthalmologists to have access to the training curriculum and to maintain their continuing professional development records in an appropriate manner and provide the evidence needed for their periodic revalidation. The College has commissioned a new E-portfolio system which will incorporate the functionality of the existing CPD system. It plans for it to be available for all trainees by August 2016.

Full use will be made of the facilities at Stephenson Way to deliver training and education for all levels of ophthalmologist and other eye health professionals.

The training and seminar programmes will continue in 2016 with an increased emphasis on holding events outside London. The seminar programme is devised in response to members' demands. The annual Congress will be held in Birmingham in May.

The College will use the funds already provided by government sources to further develop e-learning resources for ophthalmologists and work to make their existence more widely known.

If a replacement for the current external funding can be found the College will continue to develop training links with ophthalmology bodies overseas and build on the links already established with units in Asia and Africa.

# **The Royal College of Ophthalmologists**

## **Report of the Trustees**

### **For the year ended 31 December 2015**

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The College will continue to publish the Eye scientific journal jointly with Nature Publishing Group.

The College will continue its efforts to raise funds for joint MRC/College research fellowships. The first fellowship named in memory of the late President, John Lee completed in 2015 and a further fellowship is planned for 2016 if an appropriate candidate is selected.

The contract with the Health Quality Improvement Partnership to carry out a national audit of cataract procedure outcomes and feasibility studies for other treatments will be promoted widely at College events to ensure a high degree of participation by ophthalmology departments.

The College will continue to devote considerable resources to the further development of web based materials for both its members and the general public.

The proposals from the College review of its governance arrangements will be put to the membership for approval at the 2016 AGM, and, if accepted, will be implemented as soon as a change to the Charter and Ordinances is agreed by the Privy Council.

#### **Reserves policy**

The College has a policy of holding an income reserve to protect it against future and unforeseen fluctuations in its income and expenditure, particularly in the current period of changes regarding the College's role in training and education and its need to support ophthalmologists. The Council regularly reviews the position and has agreed that it should maintain a reserve equivalent to between nine and twelve months' running costs of the College. The available general reserve at the moment stands at £3,058,000 which is around eleven months budgeted unrestricted cash expenditure for 2016.

#### **Investment policy and performance**

The College aims to invest funds not required for its immediate use in order to maintain the real value of its assets and the purchasing power of its income for both current and future beneficiaries of its services. The College also wishes to minimise its risk of capital and income losses. It does this by employing a professional fund manager, by restricting the range of investment instruments and by requiring its investment portfolio to be diversified by placing its investments in a range of common investment funds specifically designed for charities. It has agreed benchmark returns and the means of monitoring performance against these with the investment manager. Overall the benchmarks have been met over a rolling three year period.

#### **Funds held as custodian trustee**

The College holds funds donated to the Keeler Scholarship Fund which is a charitable fund registered separately with the Charity Commission but incorporated within these financial statements. The fund receives regular donations which are dispensed every two years by way of a

**Report of the Trustees**

**For the year ended 31 December 2015**

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scholarship to enable a member of the College to acquire further skill, knowledge or experience. No award was made in 2015.

**Statement of the Council's responsibilities**

The Council are responsible for preparing the Council's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, Scotland and Northern Ireland 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 charity and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Council are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Council are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

# The Royal College of Ophthalmologists

## Report of the Trustees

### For the year ended 31 December 2015

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Members of the Council who served during the year and up to the date of this report were as follows:

#### College officers

Prof CJ MacEwen	President
Mr JM Hayward	Senior Vice President
Mr PAC Tiffin	Senior Vice President
Mr MA Burdon	Vice President
Mr B Chang	Vice President
Mr M Watts	Vice President
Mr WD Newman	Honorary Secretary
Mr PJ McDonnell	Honorary Treasurer

#### Committee

Training	(to September 2015)
Examinations	
Scientific	
Professional	
Standards	
Education	

Miss AF Spencer	Chair	Training	(from September 2015)
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#### Regional representatives

#### Region

Miss GGW Adams	Moorfields	
Mr CPJ Blyth	Wales	
Miss MC Corbett	NW Thames	
Mr TR Dabbs	Yorkshire	
Mr CJM Diaper	Scotland West	
Mr JR Eason	South West Thames	
Mr M Gupta	Trent	
Ms B Hemmant	East Anglia	
Mr S Jain	NE Thames	
Prof SB Kaye	Mersey	
Mr MD Leyland	Oxford	
Prof CSC Liu	South East Thames	
Mr AH MacLean	Wessex	
Mr MF Murphy	Northern Ireland	(to May 2015)
Dr L O'Toole	Eire	
Dr AAE Pyott	Scotland East	
Mr S Sandramouli	West Midlands	
Miss G Silvestri	Northern Ireland	(from May 2015)
Prof J Sparrow	South West	(from May 2015)
Miss AF Spencer	North West	(to September 2015)
Mrs A Stone	North Western	(from September 2015)
Mr SJ Talks	Northern	
Mr N Wilson-Holt	South West	(to May 2015)
Prof AJ Lotery		Editor of Eye

# The Royal College of Ophthalmologists

## Report of the Trustees

For the year ended 31 December 2015

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### Co-opted Members

Mr DJ Kinshuck	Staff and Associate Specialists	(to October 2015)
Mrs B Attrup	Staff and Associate Specialists	(from October 2015)
Mr OMB Bowes	Ophthalmic Trainees	
Ms CC Davey	International	
Mr T Bremridge	Lay Advisory Group	
Prof P Bishop	Academic sub committee	(from December 2015)

### Appointment of Council members

The Council, no members of which may be elected or re-elected after their 65th birthday or retirement from active clinical practice whichever is later, shall consist of not more than 34 members. These comprise; the Honorary Officers who shall remain members of the Council so long as they hold honorary office, up to 20 members elected on a geographical basis, up to 4 members co-opted by the Council under Ordinance 28 and members appointed by the Council under Ordinance 32.

### Auditors

Sayer Vincent LLP were re-appointed as the auditors of the College during the year and have expressed their willingness to continue in that capacity.

Approved by the Council on 11 March 2016 and signed on its behalf by

Mr Peter McDonnell – Honorary Treasurer

## **Independent auditors' report**

### **To the Council of**

### **The Royal College of Ophthalmologists**

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We have audited the financial statements of The Royal College of Ophthalmologists for the year ended 31 December 2015 which comprise the primary financial statements and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the statement of the trustees' responsibilities set out in the report of the trustees, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 144 of the Charities Act 2011 and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Independent auditors' report**

**To the Council of**

**The Royal College of Ophthalmologists**

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### **Opinion on financial statements**

In our opinion the financial statements:

- Give a true and fair view of the state of the charity's affairs as at 31 December 2015 and of its incoming resources and application of resources, 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 Charities Act 2011 and of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 and Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The information given in the report of the trustees is inconsistent in any material respect with the financial statements
- Sufficient and proper accounting records have not been kept
- The financial statements are not in agreement with the accounting records and returns
- We have not received all the information and explanations we require for our audit

16 March 2016

Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditors in terms of section 1212 of the Companies Act 2006



The Royal College of Ophthalmologists

Statement of financial activities

For the year ended 31 December 2015

					2015	2014
	Note	Unrestricted £'000s	Endowment £'000s	Restricted £'000s	Total £'000s	Restated Total £'000s
<b>Income from:</b>						
Donations	3	1	–	25	26	324
Charitable activities						
Subscriptions	4	1,230	–	–	1,230	1,243
Examinations	4	546	–	–	546	668
Education and Training	4	185	–	162	347	330
Professional Support	4	931	–	35	966	896
National Ophthalmic Database	4	338	–	–	338	113
Journal "Eye" – joint venture	4	584	–	–	584	565
Scholarships and Awards	4	–	–	36	36	39
The British Ophthalmological Surveillance Unit (BOSU)	4	–	–	51	51	36
Other trading activities	5	85	–	–	85	83
Investments	6	80	29	10	119	146
<b>Total income</b>		<b>3,980</b>	<b>29</b>	<b>319</b>	<b>4,328</b>	<b>4,443</b>
<b>Expenditure on:</b>	7					
Raising funds		–	–	–	–	18
Charitable activities						
Examinations		860	–	–	860	819
Education and Training		740	–	72	812	747
Professional Support		1,439	–	30	1,469	1,071
National Ophthalmic Database		342	–	–	342	122
Journal "Eye" – joint venture		590	–	–	590	555
Scholarships and Awards		23	25	48	96	134
The British Ophthalmological Surveillance Unit (BOSU)		54	–	70	124	99
Non-recurring property and moving costs		–	–	–	–	570
<b>Total expenditure</b>		<b>4,048</b>	<b>25</b>	<b>220</b>	<b>4,293</b>	<b>4,135</b>
<b>Net income before net gains / (losses) on investments</b>		<b>(68)</b>	<b>4</b>	<b>99</b>	<b>35</b>	<b>308</b>
Net (losses)/gains on investments		<b>(4)</b>	<b>–</b>	<b>–</b>	<b>(4)</b>	<b>68</b>
<b>Net income / (expenditure)</b>	9	<b>(72)</b>	<b>4</b>	<b>99</b>	<b>31</b>	<b>376</b>
Transfers between funds	21	39	–	(39)	–	–
<b>Net movement in funds</b>		<b>(33)</b>	<b>4</b>	<b>60</b>	<b>31</b>	<b>376</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward as restated	26	10,534	840	914	12,288	11,912
<b>Total funds carried forward as restated</b>	26	<b>10,501</b>	<b>844</b>	<b>974</b>	<b>12,319</b>	<b>12,288</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 21 to the financial statements.

# The Royal College of Ophthalmologists

## Balance sheet

As at 31 December 2015

			2015	2014
	Note	£'000s	£'000s	As restated £'000s
<b>Fixed assets:</b>				
Tangible assets	14		7,340	7,509
Heritage Assets	14		58	58
Investments	15		2,494	2,459
			<u>9,892</u>	<u>10,026</u>
<b>Current assets:</b>				
Debtors	16	500		684
Cash at bank and in hand		2,768		2,175
		<u>3,268</u>		<u>2,859</u>
<b>Liabilities:</b>				
Creditors: amounts falling due within one year	17	841		597
			<u>2,427</u>	<u>2,262</u>
<b>Net current assets</b>			<u>2,427</u>	<u>2,262</u>
<b>Total assets less current liabilities</b>			<u>12,319</u>	<u>12,288</u>
<b>Total net assets</b>			<u><u>12,319</u></u>	<u><u>12,288</u></u>
<b>The funds of the charity:</b>	21,26			
Endowment Funds			821	840
Restricted income funds			997	900
Unrestricted income funds:				
Designated funds – functional property		7,357		7,526
Other designated funds		86		144
General funds		3,058		2,878
		<u></u>	<u>10,501</u>	<u>10,548</u>
<b>Total unrestricted funds</b>			<u>10,501</u>	<u>10,548</u>
<b>Total charity funds</b>			<u><u>12,319</u></u>	<u><u>12,288</u></u>

Approved by the trustees on 11 March 2016 and signed on their behalf by

Mr P McDonnell  
Honorary Treasurer

Prof. C MacEwen  
President

The Royal College of Ophthalmologists

Statement of cash flows

For the year ended 31 December 2015

	Note	2015 £000's	2014 £000's
Cash flows from operating activities	22		
Net cash provided by / (used in) operating activities		671	240
Cash flows from investing activities:			
Dividends, interest and rents from investments		119	146
Purchase of fixed assets		(158)	(3,906)
Proceeds from sale of investments		–	
Purchase of investments		(39)	(47)
Net cash (used in)/provided by investing activities		(78)	(3,807)
Change in cash and cash equivalents in the year		593	(3,567)
Cash and cash equivalents at the beginning of the year		2,175	5,742
Cash and cash equivalents at the end of the year	23	2,768	2,175

**1 Accounting policies**

**a) Basis of preparation**

The accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

**b) Reconciliation with previously Generally Accepted Accounting Practice (GAAP)**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. The transition date was 1 January 2014.

At the date of transition no restatement of assets or liabilities was required.

**c) Public benefit entity**

The charity meets the definition of a public benefit entity under FRS 102.

**d) Going concern**

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

The trustee consider that there are no sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**e) 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.

Grants and donations received are credited directly to the statement of financial activities in the year in which they are received or receivable, whichever is earlier.

Income from the sponsorship of College activities is accounted for in the period during which the activity takes place.

Subscriptions are accounted for on a receivable basis and credited to the statement of financial activities in the period to which they relate. Examination fee income is recognised when the examination takes place. Annual congress income is recognised when the event takes place. Journal 'Eye' income is recognised when the College receives notification of the amounts receivable for the year.

**f) Donations of gifts, services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised. The trustees' annual report gives more information about the contribution of volunteers.

**g) 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.

**h) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**1 Accounting policies (continued)**

**i) 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:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.
- Expenditure on charitable activities includes the costs of delivering examinations, training and educational activities and other services undertaken to further the purposes of the charity and the associated support costs of providing these services.
- 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.

**j) Allocation of support and governance costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of the charity, comprising the salary and overhead costs of the central function, is apportioned, based on staff numbers engaged in each activity. Governance costs are apportioned on the same basis.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

**k) Operating leases**

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

**l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the same basis. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

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:

- |                                     |                             |
|-------------------------------------|-----------------------------|
| • Freehold buildings                | Thirty years                |
| • Equipment, furniture and fittings | Between three and ten years |
| • Major Software systems            | Five years                  |

Heritage assets are capitalised at historic cost where the College has reliable cost information. The current net book value is believed to be at least equal to the residual value, and as such no further depreciation has been charged.

**m) 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.

**n) 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. Cash balances exclude any funds held on behalf of service users.

**1 Accounting policies (continued)**

**o) 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.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

**p) Pensions**

The Royal College of Ophthalmologists participates in two defined benefit pension schemes, the Superannuation Arrangements of the University of London (SAUL) which is a funded defined benefit scheme and the NHS Scheme which is an unfunded defined benefit scheme. The expected cost of providing pensions is charged to the statement of financial activities so as to spread the cost over the service lives of employees in such a way that the pension cost equals the annualised long-term cash outlay to the scheme. Both schemes are multi-employer schemes of which the assets and liabilities cannot be identified for individual employers. The accounts therefore include contributions payable on an accruals basis. Further information for both schemes is given in note 19.

**q) Investments**

Investments are stated at market value at the balance sheet date. Gains and losses on investments are taken to the statement of financial activities in the period in which they arise.

**r) Grants payable**

Grants payable are shown in the year in which the award is payable. If grants are in installments over a period longer than a year the amounts shown relate to the installment due in the year in question.

## 2 Detailed comparatives for the statements of financial activities in 2014

	Unrestricted £'000s	Endowment £'000s	Restricted £'000s	2014 Total £'000s
<b>Income from:</b>				
Donations and legacies	1	–	323	324
Charitable activities	–	–	–	–
Subscriptions	1,243	–	–	1,243
Examinations	668	–	–	668
Education and Training	170	–	160	330
Professional Support	868	–	28	896
National Ophthalmic Database	113	–	–	113
Journal "Eye" – joint venture	565	–	–	565
Scholarships and Awards	–	–	39	39
The British Ophthalmological Surveillance Unit (BOSU)	–	–	36	36
Other trading activities	–	–	–	–
Investments	112	34	–	146
Other	83	–	–	83
<b>Total income</b>	<b>3,823</b>	<b>34</b>	<b>586</b>	<b>4,443</b>
<b>Expenditure on:</b>				
Raising funds	18	–	–	18
Charitable activities	–	–	–	–
Examinations	819	–	–	819
Education and Training	683	–	69	752
Professional Support	1,044	–	21	1,065
National Ophthalmic Database	122	–	–	122
Journal "Eye" – joint venture	556	–	–	556
Scholarships and Awards	2	10	122	134
The British Ophthalmological Surveillance Unit (BOSU)	39	–	60	99
Non – recurring costs (property and moving costs)	570	–	–	570
<b>Total expenditure</b>	<b>3,853</b>	<b>10</b>	<b>272</b>	<b>4,135</b>
<b>Net income / expenditure before gains / (losses) on investments</b>	<b>(30)</b>	<b>24</b>	<b>314</b>	<b>308</b>
Net gains / (losses) on investments	53	15	–	68
<b>Net income / expenditure</b>	<b>23</b>	<b>39</b>	<b>314</b>	<b>376</b>
Transfers between funds	453	(22)	(431)	–
<b>Net movement in funds</b>	<b>476</b>	<b>17</b>	<b>(117)</b>	<b>376</b>
<b>Total funds brought forward</b>	<b>10,058</b>	<b>823</b>	<b>1,031</b>	<b>11,912</b>
<b>Total funds carried forward</b>	<b>10,534</b>	<b>840</b>	<b>914</b>	<b>12,288</b>

## 3 Income from donations

The College has received additional donations during 2015 towards the cost of refurbishing its premises at 18 Stephenson Way. One donation of £8,000 was received from a current trustee.

4 Income from charitable activities

	Unrestricted £'000s	Endowment £'000s	Restricted £'000s	2015 Total £'000s	2014 Total £'000s
<b>Membership subscriptions</b>	1,230	–	–	1,230	1,243
<b>Sub-total for Subscriptions</b>	1,230	–	–	1,230	1,243
<b>Examination fees</b>	546	–	–	546	668
<b>Sub-total for Examinations</b>	546	–	–	546	668
<b>Education and Training</b>	–	–	2	2	49
Health Education England – for E-Learning	–	–	18	18	50
Health Education England for Ophthalmopaedia	–	–	56	56	–
E-Learning for Health – for developing DSEK training materials	–	–	35	35	–
Bayer PLC for award scheme	–	–	–	–	40
Academy of Medical Royal Colleges (for Medical Training Initiative)	–	–	22	22	11
Dual Sponsorship fee income	–	–	26	26	7
Second Simulator Fund	–	–	3	3	–
Fees for Skills Courses	159	–	–	159	142
Other income	26	–	–	26	31
<b>Sub-total for Education and Training</b>	185	–	162	347	330
<b>Professional support</b>					
Congress and specialty days	843	–	–	843	792
Optic UK for Optic lecture at Congress	–	–	6	6	6
Seminars	78	–	–	78	74
Macular Society for Elizabeth Thomas Lecture	–	–	5	5	5
Fees and sponsorship for Elizabeth Thomas ~Seminar	–	–	24	24	11
Other	10	–	–	10	8
<b>Sub-total for Professional Support</b>	931	–	35	966	896
<b>National Ophthalmic Database</b>					
Contract income from Health Quality Improvement Partnership	338	–	–	338	113
<b>Sub-total for National Ophthalmic Database</b>	338	–	–	338	113
<b>Journal Eye joint venture</b>					
Gross income from Joint Venture with MacMillan	584	–	–	584	565
<b>Sub-total for Journal Eye joint venture</b>	584	–	–	584	565



**4 Income from charitable activities (continued)**

	Unrestricted £'000s	Endowment £'000s	Restricted £'000s	2015 Total £'000s	2014 Total £'000s
<b>Scholarships and Awards</b>					
Donations to John Lee Research Fellowship (all under £1,000)	-	-	21	21	16
Keeler Ltd for Keeler Scholarship	-	-	15	15	15
Other income	-	-	-	-	8
<b>Sub-total for Scholarships and Awards</b>	-	-	36	36	39
RED Trust for BOSU	-	-	6	6	-
Fight for Sight	-	-	43	43	11
Grants for one (2014 – seven) institutions for study project	-	-	2	2	25
<b>Sub-total for British Ophthalmic Surveillance Unit</b>	-	-	51	51	36
<b>Total income from charitable activities</b>	3,814	-	284	4,098	3,890

**5 Income from other trading activities**

	Unrestricted £'000s	Endowment £'000s	Restricted £'000s	2015 Total £'000s	2014 Total £'000s
Advertising in College publications and other miscellaneous income	85	-	-	85	83
	85	-	-	85	83

**6 Income from investments**

	Unrestricted £'000s	Endowment £'000s	Restricted £'000s	2015 Total £'000s	2014 Total £'000s
Income from Common Investment Funds	67	29	5	101	100
Bank interest	13	-	5	18	46
	80	29	10	119	146

## 7 Analysis of expenditure

	Charitable activities										2015 Total £'000s	2014 Total £'000s As restated
	Cost of raising funds £'000s	Examinations £'000s	Education and Training £'000s	Professional Support £'000s	"Eye" Journal Joint Venture £'000s	Scholarships and Awards £'000s	NOD £'000s	BOSU £'000s	Governance costs £'000s	Support costs £'000s		
Staff employment costs (Note 10)	–	170	200	190	38	1	45	40	10	471	1,165	1,199
Redundancy costs	–	–	–	–	–	–	–	–	–	26	26	–
Other staff costs	–	–	–	–	–	–	1	–	–	44	45	46
Travel and accommodation costs for meetings and events	–	153	78	141	–	–	7	2	70	53	504	449
Property and equipment costs	–	–	54	–	–	–	–	–	–	166	220	169
Depreciation	–	–	–	–	–	–	–	–	–	327	327	41
Venue hire	–	61	–	208	–	–	–	–	–	3	272	399
Patients' expenses	–	21	–	–	–	–	–	–	–	–	21	18
Print, post and stationary	–	12	5	36	115	–	–	24	–	55	247	137
Communications and PR	–	–	–	3	32	–	1	–	–	50	86	113
Insurance	–	–	–	4	–	–	–	–	–	25	29	30
Scholarships and Awards	–	–	–	–	–	95	–	–	–	–	95	133
Contractors' fees	–	–	–	–	–	–	175	–	–	–	175	66
Other project costs and third party charges	–	3	25	324	310	–	31	4	–	7	704	459
Professional fees	–	–	–	–	–	–	5	–	–	69	74	55
Subscriptions	–	–	–	–	–	–	–	–	–	36	36	35
IT, telephony and software	–	9	3	3	–	–	23	–	–	113	151	91
Finance charges	–	–	–	–	–	–	–	–	–	24	24	27
Investment management charges	–	–	–	–	–	–	–	–	–	19	19	18
Auditors' remuneration	–	–	–	–	–	–	–	–	9	–	9	9
Irrecoverable VAT	–	–	–	–	–	–	–	–	–	2	2	39
Bad debts	–	–	–	–	–	–	–	–	–	30	30	10
Other costs	–	–	–	4	6	–	–	–	–	22	32	22
Non recurring premises and moving costs	–	–	–	–	–	–	–	–	–	–	–	570
	–	429	365	913	501	96	288	70	89	1,542	4,293	4,135
Support costs	–	407	423	526	84	–	51	51	–	(1,542)	–	–
Governance costs	–	24	24	30	5	–	3	3	(89)	–	–	–
<b>Total expenditure 2015</b>	<b>–</b>	<b>860</b>	<b>812</b>	<b>1,469</b>	<b>590</b>	<b>96</b>	<b>342</b>	<b>124</b>	<b>–</b>	<b>–</b>	<b>4,293</b>	<b>4,135</b>
Total expenditure 2014 excluding non recurring costs	18	819	747	1,071	555	134	122	99	–	–	3,565	

Of the total expenditure, £4,048,000 was unrestricted (2014: £3,897,000) and £245,000 was restricted (2014: £297,000).

**8 Grant making**

	Grants to institutions £'000s	Grants to individuals £'000s	Support costs £'000s	2015 £'000s	2014 £'000s
<b>Cost</b>					
The Ethicon Scholarship	–	6	–	6	–
The Keeler Scholarship	–	–	–	–	30
The Patrick Trevor Roper Travel Award	–	2	–	–	2
The Dorey Bequest	–	–	–	–	2
The Duke Elder Prize	–	–	–	–	1
Medical Research Council	34	–	–	–	–
Medical Research Council for John Lee					
Research Fellowship	37	–	–	37	–
Bayer Grant scheme	–	16	1	17	–
	<u>71</u>	<u>24</u>	<u>1</u>	<u>60</u>	<u>156</u>
At the end of the year					

The basis of the grants to individuals is described in note 21.

The grants paid to the Medical Research Council are to fund research fellowship funded jointly by the College and the Medical Research Council.

**9 Net incoming resources for the year**

This is stated after charging / crediting:

	2015 £'000s	2014 £'000s
Depreciation	327	41
Operating lease rentals:		
Other	11	5
Auditors' remuneration (excluding VAT):		
Audit	9	9
Other services	2	1
	<u>349</u>	<u>56</u>

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

Staff costs were as follows:

	2015 £'000s	2014 £'000s
Salaries and wages	987	1,013
Redundancy and termination costs	26	–
Social security costs	91	81
Pension contributions	87	105
	<u>1,191</u>	<u>1,199</u>

One employee earned between £90,000 and £100,000 in the year (2014: one employee). Pension Contributions on behalf of this employee amounted to £12,744 (2014: £12,219).

The key management personnel of the charity comprise the trustees, the Chief Executive and the four heads of department. The total employee remuneration of the key management personnel was £341,000 (2014: £327,000).

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2014: £nil). No charity trustee received payment for professional or other services supplied to the charity (2014: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £69,593 (2014: £67,149) incurred by 31 (2014: 36) members relating to attendance at meetings of the trustees.

11 Staff numbers

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

	2015 No.	2014 No.
Examinations	5	5
Education and Training	6	5
Professional Support	7	6
National Ophthalmological Database	1	1
Journal "Eye" joint Venture	1	1
Support	9	8
	<u>29</u>	<u>26</u>

12 Related party transactions

There are no related party transactions to disclose for 2015 (2014: none).

Aggregate donations from related parties (trustees) were £8,000 (2014: £13,000).

13 Taxation

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

14 Tangible fixed assets

	Freehold property £'000s	Fixtures and fittings £'000s	Computer equipment £'000s	Heritage Assets £'000s	Total £'000s
<b>Cost</b>					
At the start of the year	6,954	160	432	85	7,631
Additions in year	51	21	86	–	158
Disposals in year	–	–	–	–	–
At the end of the year	7,005	181	518	85	7,789
<b>Depreciation</b>					
At the start of the year	14	7	16	27	64
Charge for the year	172	18	137	–	327
Eliminated on disposal	–	–	–	–	–
At the end of the year	186	25	153	27	391
<b>Net book value</b>					
At the end of the year	6,819	156	365	58	7,398
At the start of the year	6,940	153	416	58	7,567

Land with a value of £1,800,000 (2014: £1,800,000) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

**15 Listed investments**

	2015 £'000	2014 £'000
Market value at the start of the year	2,453	2,338
Additions at cost	39	47
Net gain / (loss) on revaluation	(4)	68
	<u>2,488</u>	<u>2,453</u>
Market value at the end of the year	<u>2,488</u>	<u>2,453</u>
Historic cost	<u>1,954</u>	<u>1,915</u>
Investments comprise:		
	2015 £'000	2014 £'000
UK Common Investment Funds	2,488	2,453
Cash held pending repurchase of works of art	6	6
	<u>2,494</u>	<u>2,459</u>

The College has made investments in two Common Investment Funds, the Alpha Fund for Endowments and the Alpha Fund for Income and Reserves

No investments held by the Common investment Funds exceed 5% by value of the portfolio held by these funds

**16 Debtors**

	2015 £'000	2014 £'000
Subscriptions in arrears	33	78
Congress expenses in advance	82	96
Other event costs in advance	32	42
VAT Recoverable	–	80
Prepayments	20	29
Trade debtors	149	180
Other debtors	184	179
	<u>500</u>	<u>684</u>

17 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	140	270
Taxation and social security	53	23
Other creditors	240	108
Accruals	201	107
Deferred income	207	89
	<u>841</u>	<u>597</u>

18 Deferred income

Deferred income comprises fees received before the year end for examinations, training and other events taking place in the following year.

	2015 £'000	2014 £'000
Balance at the beginning of the year	89	151
Amount released to income in the year	(89)	(151)
Amount deferred in the year	207	89
	<u>207</u>	<u>89</u>

19 Pension schemes

The College participates in the Superannuation Arrangements of the University of London (“SAUL”), which is a centralised defined benefit scheme within the United Kingdom and is contracted-out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education

The College participates in the Superannuation Arrangements of the University of London (“SAUL”), which is a centralised defined benefit scheme within the United Kingdom and is contracted-out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on either a Final Salary basis or a Career Average Revalued Earnings (“CARE”) basis. Following a consultation with Members, the SAUL Final Salary Section will close from 31 March 2016 and all Members will build up benefits on a CARE basis from 1 April 2016

The College is not expected to be liable to SAUL for any other current participating employer’s obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL’s statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL’s benefits as they fall due (the “Technical Provisions”). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members’ accrued pension rights to be met.

19 Pension schemes (continued)

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2014. Informal reviews of SAUL’s position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed in November 2015 and are due to be reviewed at SAUL’s next formal valuation in 2017.

The Trustee and Employers have agreed that the Technical Provisions deficit at the 31 March 2014 valuation will be addressed by employer contributions of 3% of Salaries between 1 April 2016 and 31 March 2018 (inclusive). The overall level of the Employers’ contributions will, therefore, increase from 13% of Salaries to 16% of Salaries with effect from 1 April 2016.

It is not possible to identify an individual Employer’s share of the underlying assets and liabilities of SAUL. The College accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102. Employer Contributions paid in 2015 were £87,000 (2014: £115,000).

One member of staff is in the NHS Pension Scheme, an unfunded defined benefit scheme. The total employer contribution payable in 2015 was £6,000 (2014: £4,000).

20 Analysis of net assets between funds

	General unrestricted £'000	Designated £'000	Restricted £'000	Total funds £'000
Tangible fixed assets	–	7,357	41	7,398
Investments	1,685	–	809	2,494
Net current assets	1,373	86	968	2,427
Long term liabilities	–	–	–	–
Net assets at the end of the year	3,058	7,443	1,818	12,319



The Royal College of Ophthalmologists

Notes to the financial statements

For the year ended 31 December 2015

21. Movements in funds

	At 1 January 2015 As restated £000	Incoming resources £000	Outgoing resources £000	Transfers £000	Investment (losses)/gains £000	At 31 December 2015 £000
<b>Permanent endowment fund</b>						
▪ The Bibby/Horton Scholarship	580	23	–	(23)	–	580
<b>Expendable endowment fund</b>						
▪ Research Endowment Fund	260	6	(25)	–	–	241
	<u>840</u>	<u>29</u>	<u>(25)</u>	<u>(23)</u>	<u>–</u>	<u>821</u>
<b>Other restricted funds</b>						
▪ Medical Training Initiative (Department of Health)	33	22	(4)	–	–	51
▪ Higher Specialist Scientist Training	3	–	–	–	–	3
▪ Dual Sponsorship Scheme – Pilot matching scheme fee income	11	26	(2)	–	–	35
▪ E-Learning Fund (Department of Health)	137	3	(45)	–	–	95
▪ E-Learning Fund – E Integrity Project (Department of Health)	60	19	–	–	–	79
▪ E-Learning Ophthalmopaedia – Health Education England	–	56	(6)	–	–	50
▪ E-Learning for Health – DSEK from Health Education England	–	35	(2)	–	–	33
▪ Revalidation E-system cohort project	32	–	(7)	–	–	25
▪ Standardised Recruitment project	6	–	(4)	(2)	–	–
▪ Speciality Training Advisors	2	–	–	(2)	–	–
▪ Second Simulator Fund	–	3	–	–	–	3
▪ Commissioning Guidance for NICE	2	–	–	–	–	2
	<u>286</u>	<u>164</u>	<u>(70)</u>	<u>(4)</u>	<u>–</u>	<u>376</u>

The Royal College of Ophthalmologists

Notes to the financial statements

For the year ended 31 December 2015

21. Movements in funds (continued)

	At 1 January 2015 As restated £000	Incoming resources £000	Outgoing resources £000	Transfers £000	Investment (losses)/gains £000	At 31 December 2015 £000
Scholarships and Award Funds						
▪ The Ethicon Scholarship	130	2	(6)	-	-	126
▪ Bayer Award Scheme	25	1	(17)	-	-	9
▪ The Keeler Scholarship	5	15	-	-	-	20
▪ The John Lee Research Fund	83	21	(25)	-	-	79
▪ The Nettleship Fund	2	-	-	-	-	2
▪ The Lister Award	9	-	-	-	-	9
▪ The Edridge-Green Lecture	25	1	-	-	-	26
▪ The Dorey Bequest	16	-	-	-	-	16
	<u>295</u>	<u>40</u>	<u>(48)</u>	<u>-</u>	<u>-</u>	<u>287</u>
Project Funds, including Memorials and Bequests						
▪ The Bibby/Horton Scholarship	75	1	-	23	-	99
▪ The Ashton Lecture	2	-	-	-	-	2
▪ The Professor Barrie Jones Lecture Fund	54	1	-	(5)	-	50
▪ The Optic Lecture Fund	-	6	(6)	-	-	-
▪ The Elizabeth Thomas Seminar	54	30	(23)	-	-	61
▪ London Deanery Training Fund	68	1	(3)	-	-	66
▪ The Winstanley Book Collection	41	-	-	-	-	41
▪ The Peter Curran Bequest	6	-	-	-	-	6
▪ London Deanery Equipment	1	-	-	-	-	1
▪ New Building Fund	-	25	-	(25)	-	-
▪ Wolfson Seminar Room Fund	5	-	-	(5)	-	-
	<u>306</u>	<u>64</u>	<u>(32)</u>	<u>(12)</u>	<u>-</u>	<u>326</u>
British Ophthalmological Surveillance Unit	27	51	(70)	-	-	8
Total Other Restricted Funds	<u>914</u>	<u>319</u>	<u>(220)</u>	<u>(16)</u>	<u>-</u>	<u>997</u>
Total Restricted Funds	<u>1,754</u>	<u>348</u>	<u>(245)</u>	<u>(39)</u>	<u>-</u>	<u>1,818</u>

The Royal College of Ophthalmologists

Notes to the financial statements

For the year ended 31 December 2015

21. Movements in funds (continued)

	At 1 January 2015 As restated £000	Incoming resources £000	Outgoing resources £000	Transfers £000	Investment (losses)/gains £000	As at 31 December 2015 £000
<b>Unrestricted funds</b>						
<i>Designated funds:</i>						
▪ The Research Fund	1	1	-	-	-	2
▪ The Duke – Elder Memorial	4	4	(1)	-	-	7
▪ The Patrick Trevor – Roper Travel Awards	9	-	(2)	-	-	7
▪ The Alison McCartney Memorial	3	-	-	(3)	-	-
▪ Future Research Activities	11	-	-	(11)	-	-
▪ John Lee Memorial Research Fund	27	-	(21)	-	-	6
▪ The Building Maintenance Fund	25	-	-	(25)	-	-
▪ The Anne Allerton Fund	63	1	-	-	-	64
▪ Property and Equipment Fund	7,527	-	-	(170)	-	7,357
<i>Total designated funds</i>	<u>7,670</u>	<u>6</u>	<u>(24)</u>	<u>(209)</u>	<u>-</u>	<u>7,443</u>
General funds	<u>2,864</u>	<u>3,974</u>	<u>(4,024)</u>	<u>248</u>	<u>(4)</u>	<u>3,058</u>
Total unrestricted funds	<u>10,534</u>	<u>3,980</u>	<u>(4,048)</u>	<u>39</u>	<u>(4)</u>	<u>10,501</u>
Total restricted funds	<u>1,754</u>	<u>348</u>	<u>(245)</u>	<u>(39)</u>	<u>-</u>	<u>1,818</u>
<b>Total funds</b>	<u><u>12,288</u></u>	<u><u>4,328</u></u>	<u><u>(4,293)</u></u>	<u><u>-</u></u>	<u><u>(4)</u></u>	<u><u>12,319</u></u>

**21. Purposes of restricted and designated funds**

**Purposes of the Endowment Funds**

**The Bibby/Horton Scholarship**

The late Miss Bernice Bibby left the College a substantial sum to create a permanent endowment fund, to provide for fellowships at post graduate level. The transfer of £23,000 is of the income received and not used during the year to a parallel restricted fund. (see below). The income from this endowment fund and from the related restricted fund will continue to be used to part fund research fellowships jointly with the Medical Research Council.

**Research Endowment Fund**

The Research Endowment Fund, an expendable endowment fund, was set up in 2008 to assure a stable mechanism to improve research in ophthalmology and visual sciences. £25,000 has been used to support the first John Lee Research Fellowship.

**Purposes of the Other Restricted Funds**

**Medical Training Initiative.** The College has received funds from the Department of Health and the Academy of Medical Royal Colleges to support a scheme placing overseas doctors wishing to train as ophthalmologists in the UK before returning to their own country to practice.

**Higher Specialist Scientist Training.** The College received funding from the Medical Research Council Hearing and Communications Group to develop a curriculum for medical scientists working in ophthalmology.

**Dual Sponsorship Scheme.** The College has received funding from the Department of Health to pilot a scheme matching overseas doctors wishing to undertake specialist training in the UK with appropriate training settings.

**E-Learning.** The College has received funds from the Department of Health and related organisations to support the College's contribution to the UK E-Learning for Health project for aspects of the curriculum for trainee ophthalmologists.

**E-Learning, E- Integrity Project.** The College has received funds from the Department of Health for an additional e-learning project to provide resources for those providing training to ophthalmologists.

**E-Learning Ophthalmopaedia.** The College has received funds from Health Education England to develop an Ophthalmopaedia resource to be available electronically to all ophthalmologists. Work to develop this will continue into 2016.

**E-Learning for Health – DSEK (cornea conditions)** – The College has received funding from E-learning for Health to develop training materials about the assessment and treatment of conditions of the cornea with DSEK procedures.

**21. Purposes of restricted and designated funds (continued)**

**Revalidation E-Cohort.** The College has received funding from the Academy of Medical Royal Colleges to enable it to participate in a cohort scheme with other medical colleges and faculties to develop a system for collecting information for doctor appraisal. The development of the scheme was completed in 2012 and the remaining funding will be used to support and maintain the system, at no cost to members, for an initial period.

**Standardised Recruitment.** The College received funding to manage a national and standardised system for the recruitment of trainees in ophthalmology. This is now complete.

**Speciality Training Advisors.** The College received funding from the Academy of Medical Royal Colleges to train training advisers to provide consistent advice to ophthalmologists in their preparation for appraisal and revalidation.

**Second Simulator Fund.** The College has been seeking funds for a second cataract simulator for use in the SkillsCentre.

**Commissioning Guidance for NICE.** The College has received funding to develop guidance for the commissioning of cataract and glaucoma services with the aim that they be submitted to NICE for accreditation.

**The Ethicon Scholarship** provides travel funds to members and fellows who travel abroad for research or training.

**Bayer Award Scheme.** The College has received funding from Bayer PLC to provide travel and study grants to enable ophthalmologists to present their work and research at scientific meetings in the UK and abroad and thereby develop practical applications of research.

**The Keeler Scholarship** provides financial assistance to members and fellows to acquire ophthalmic skills, knowledge or experience.

**John Lee Research Fund.** The College established a fund in memory of Mr John Lee who died in 2010 during his term as President. The fund is used to fund research fellowships in ophthalmology jointly with the Medical Research Council. The first fellowship was awarded in 2012 and was completed in 2015. Applications have been sought for a further scholarship to start in 2016. Fundraising continues to ensure further fellowships can be awarded.

**The Nettleship Fund** provides a medal award every four years for the best paper on ophthalmology published in the preceding four years.

**The Lister Award** provides travel funds for study to any ophthalmologist who is a citizen of the United Kingdom.

**The Edridge-Green Lecture Fund** was set up to fund an ophthalmic lecture given at the Annual Meeting every year.

**The Dorey Bequest** provides travel funds to members and fellows who travel abroad for study or research.

21. Purposes of restricted and designated funds (continued)

**The second Bibby Horton Scholarship Fund** receives the income from the Bibby Horton Endowment Fund which is not used in the year. In the immediate future years part of the College's financial commitment to a research projects including the fellowship jointly with the Medical Research Council will be met from this fund.

**The Ashton Lecture Fund** was set up to fund an ophthalmic lecture to be given at the Annual Meeting every four years or at the discretion of the Council.

**Professor Barrie Jones** provided funds for a lecture on the subject of preventative ophthalmology in the developing world to be given every four years at the Annual Congress.

**The Optic Lecture Fund.** Optic UK provides funding for a lecture at the annual Congress.

**Elizabeth Thomas Seminar Fund.** The Macular Disease Society has made donations, in memory of Elizabeth Thomas, which have supported an annual seminar on macular disease. The seminar continues with additional funding from sponsors and attendees.

**The London Deanery Training Fund** has received funds from the London Deanery of the NHS to enable doctors including trainees and staff and associate specialists from the Deanery to attend skills courses and receive training on the College's surgical simulator.

**Winstanley Fund.** The College acquired a collection of antiquarian ophthalmic books from Mr John Winstanley which are housed in the College.

**The Peter Curran Bequest** was given for the purchase of works of art to be displayed in the College. The initial purchase was sold during 2015 and the proceeds will be reinvested in a work of art appropriate to both ophthalmology and the new setting of the College's headquarters.

**London Deanery Equipment Fund.** The London Deanery of the NHS has provided funding for the College to acquire an ophthalmic surgery simulator which is used in a range of training

**New Building Fund.** This fund was set up to accept donations from members of the College and others who wish to contribute elements of the new head office building. Now the building is complete the balance has been transferred to the general fund.

**The Wolfson Foundation** has provided funding for the refurbishment and re-equipping of the College seminar room at Cornwall Terrace.

**The British Ophthalmological Surveillance Unit** operates a national system to assist with the surveillance of rare ophthalmological conditions. The College meets the costs of providing accommodation and office support services. Further funding is provided by Fight for Sight.

# The Royal College of Ophthalmologists

## Notes to the financial statements

For the year ended 31 December 2015

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### Purposes of designated funds

**The Research Fund** accepts a number of small general donations to the College which are used to support College activities.

**The Duke–Elder Memorial** was set up in memory of Sir Stewart Duke–Elder, an eminent ophthalmologist and prolific writer. The fund has been used to support the Duke–Elder examinations which are open to medical undergraduates in the UK and Eire. When the funds come to an end the College will continue to fund an examination and a prize to be known as "The Royal College of Ophthalmologists – Duke–Elder Prize".

**The Patrick Trevor–Roper Travel Awards Fund** provides the Council with wide discretion and it has been decided that the income of this fund is to be used to provide travel funds for medical undergraduates travelling abroad for research or training.

**The Alison McCartney Memorial** was set up in memory of Dr McCartney, a pathologist. The income was used for a prize for the best candidate in the pathology paper in the fellowship examination. As this is no longer part of the examination syllabus the balance on the fund has been returned to the general fund.

**Future Research Activities** – the Council has designated £10,000 from the general fund to supplement the funds that will be available from the Research Expendable Endowment Fund. As other funds are available for research activities this fund has been returned to the general

**John Lee Memorial Research Fund** – the College established a restricted fund in 2011 to commemorate the contribution to ophthalmology of the late President with a joint MRC/College research fellowship the first of which completed in 2015. This fund represents the College's designation for the same purpose.

**The Building Maintenance Fund** was set up in recognition of the unpredictable nature of the costs of maintaining its former premises at 17 Cornwall Terrace. As the likelihood of major repair obligations in the College's new premises is remote the balance of this fund has been returned to the general fund.

The Council was given wide discretion over funds transferred from the **Anne Allerton Fund**. It is envisaged that part of this fund will be needed to support the purchase of a second cataract simulator in 2016.

The **Property and Equipment Fund** was set up to reflect the net book value of the fixed assets held on unrestricted funds. The transfer in 2014 is to bring the value of the fund up to the amount expended in the period to 31 December 2014 on the acquisition and refurbishment of 18 Stephenson Way.

22 Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2015 £'000s	2014 £'000s
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	31	376
Depreciation charges	327	41
(Gains)/losses on investments	4	(68)
Dividends, interest and rent from investments	(119)	(146)
(Increase)/decrease in debtors	184	(140)
Increase/(decrease) in creditors	244	177
Net cash provided by / operating activities	671	240

23 Analysis of cash and cash equivalents

	At 1 January 2015 £'000s	Cash flows £'000s	Other changes £'000s	At 31 December 2015 £'000s
Cash in hand	1,575	593	–	2,168
Notice deposits (less than 3 months)	600	–	–	600
Total cash and cash equivalents	2,175	593	–	2,768

24 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

	Equipment 2015 £'000s	2014 £'000s
Less than 1 year	11	1
1 – 5 Years	43	–
Over 5 years	–	–
	54	1

25 Capital commitments

At the balance sheet date, the charity had committed to £120,000 in respect of the new E-portfolio system. (2014: £57,000 in respect of Joint Fellowships with the Medical Research Council.)



26 Prior year adjustment

Reserves position	Unrestricted 31 December 2014 £000's	Restricted £000's	Total £000's	Unrestricted 31 December 2013 £000's	Restricted £000's	Total £000's
<b>Funds previously reported</b>	10,403	1,739	12,142	9,995	1,854	11,849
<b>Prior year adjustments:</b>						
Reversal of 2013 duplicate payments held on bank reconciliation overstating expenditure	63	–	63	63	–	63
Reversal of 2014 duplicate payments held on bank reconciliation overstating expenditure	44	15	59	–	–	–
Change in Bad debt reserve policy	24	–	24	–	–	–
<b>Funds restated on transition</b>	<b>10,534</b>	<b>1,754</b>	<b>12,288</b>	<b>10,058</b>	<b>1,854</b>	<b>11,912</b>
	Unrestricted 31 December 2014 £000's	Restricted £000's	Total £000's			
<b>Impact on income and expenditure</b>						
<b>Net movement in funds as previously reported</b>	408	(115)	293			
<b>Adjustments on transition</b>						
Reversal of duplicate payments held on bank reconciliation overstating third party and travel expenditure	44	–	44			
Reversal of duplicate payments held on bank reconciliation overstating scholarships and awards expenditure	15	–	15			
Change in Bad debt reserve policy resulting in increase to subscription income	24	–	24			
<b>Net movement in funds as restated</b>	<b>491</b>	<b>(115)</b>	<b>376</b>			

The adjustments above are to correct for reconciling items on the bank statement as at 31 December 2013 and 31 December 2014 and to account for a change in the policy for recognising bad debts.