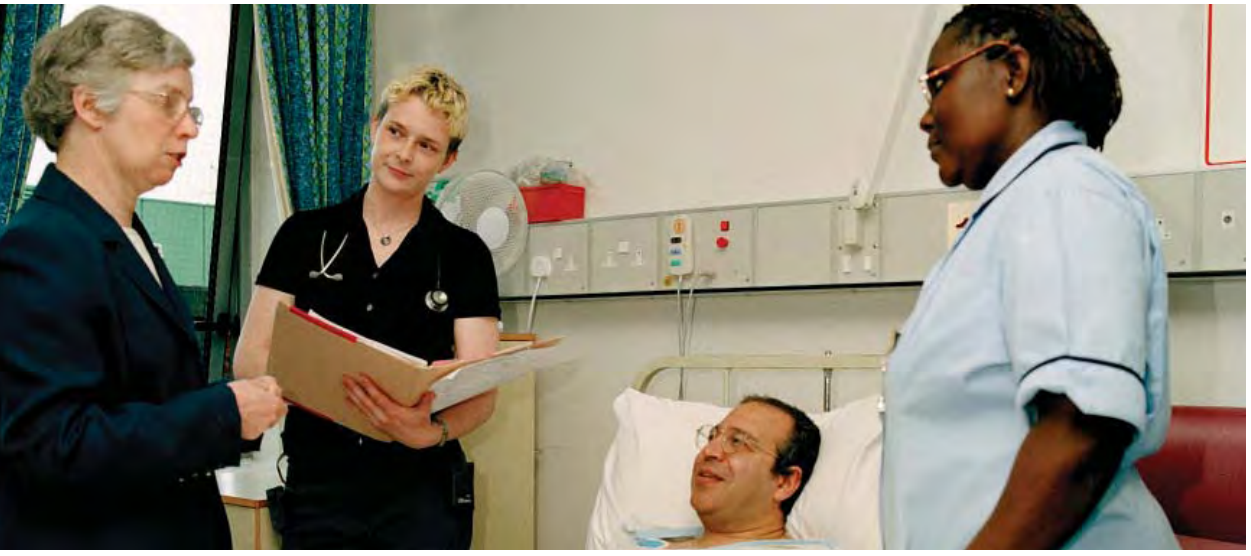
Annual Report

2007-2008



The Royal College *of* Surgeons *of* England

The Royal College of Surgeons of England is committed to enabling surgeons to achieve and maintain the highest standards of surgical practice and patient care.

Registered charity number 212808

Annual Report 2007–2008

Contents

Introduction

The College's role is to enable surgeons to achieve and maintain the highest standards of surgical practice and patient care. Safety, quality and access for patients are paramount and it is for this reason that patients are at the centre of our endeavour. Over the past year these principles have underpinned our work.

The College's commitment to the safety of patients and to quality is evident through the examination of our trainees, the teaching of our trainers and the provision of extensive educational training facilities. We believe that lifelong education for surgeons is essential and notable progress has been achieved in the roll out of the Intercollegiate Surgical Curriculum Programme. This provides a clear framework for training and includes the assessment of trainees. The improvement of the College's teaching facilities is reflected in the new Wolfson Surgical Skills Centre, which has provided state-of-the-art facilities to run and develop, for national delivery, surgical training and anatomical skills courses for the whole surgical team. Work is also well advanced on the clinical skills unit, which will provide facilities to teach and assess team skills and have dedicated areas for training in laparoscopy, arthroscopy, trauma and critical care.

The Patient Liaison Group (PLG) highlights the College's continuing commitment to identify patients' needs and concerns and incorporate them into the setting of surgical standards. Together with funding from the Department for Work and Pensions, the College, the surgical specialty associations and the PLG have produced web-based information offering practical advice for patients on how

to recover and return to their working lives as soon as possible following a number of common surgical procedures.

The College is leading on publishing information about the success of individual operations so that this can be used by surgeons, patients and hospitals to ultimately improve safety and quality. We have also been involved in research to determine the most effective and popular models for patient reported outcome measures and have recently embarked on a major project studying patient outcomes for four common operations: hernia repair, hip replacements, knee joint replacements and varicose veins surgery.

Over the past year the College made representations to the government, key decision makers and policy makers at the Department of Health on behalf of surgeons on issues affecting the surgical profession. Important areas include Modernising Medical Careers, the workforce challenge, the Eurppean Working Time Directive and the reconfiguration of surgical services. We continued to call for a significant temporary expansion of surgical training posts and to ensure that selection into run-though surgical training programmes will be at the appropriate stage in a surgeon's career. We introduced the post-Certificate of Completion of Training clinical fellowships initiative. This will provide opportunities for individuals to obtain specialist skills and experience not readily available within training programmes to enable them to offer specialised regional services for managing rare and complex conditions.

The past year has been particularly significant for the College following the independent external review of the structure, operation, activities and plans of the Raven Department of Education. The department will be restructured so that it can continue to build on its success over the past 15 years and focus on the development and piloting of courses by increasing delivery on a regional basis. A policy unit has been established within the College that will identify new topics for policy development in line with the College's overall strategy and coordinate research and evidence gathering for those policy topics approved for development. With strengthened internal structures and systems, we believe the College is well placed to respond effectively to the demands of 2008–2009.

In closing, we would like to thank the many individuals, companies and grant-giving trusts whose generous funding has enabled the College, a registered charity, to continue its vital work.

David Munn, Chief Executive

Mr Bernard Ribeiro CBE, President (July 2005 – July 2008)

Promoting High Standards of Patient Care

"The Children's Surgical Forum published *Surgery for Children: Delivering a first class service* in July 2007. The report was a welcome reaffirmation of the standards required to deliver first class surgical care for children. Most vitally, it highlighted a significant reduction in the provision of emergency and elective surgery in DGHs and transfer of this work to specialised children's units with little attention to planning the provision of adequate resources. The document recommended that commissioners should work with trusts and clinicians to encourage and support DGHs to retain or restore services wherever possible.

We feel there has been progress over the last 12 months helped by the report of the Children's Surgical Forum."

Mr Richard Stewart
Honorary Secretary, British Association of Paediatric Surgeons

Patient Safety

The College has introduced a course for the surgical theatre team, *Safety and Leadership for Interventional Procedures and Surgery*, which is aimed at developing effective team working and improving skills in communication and collaboration with colleagues.

In June 2008 we joined with the National Patient Safety Agency and the royal colleges of anaesthetists, obstetricians and gynaecologists, and nursing to support the introduction of the 'safer surgery' checklist, an initiative introduced by the World Health Organization to encourage a culture of safety among the whole surgical team. This is to formalise the process of ensuring precautions have been taken before, during and after every operation. We also addressed the All-Party Parliamentary Group for Patient Safety, chaired by Dr Howard Stoate MP, to discuss what advances are being made in ensuring that the risks of surgery are being minimised for patients.

Decontamination of surgical instruments has been a cause for concern for an increasing number of surgeons. With ENT UK (the British Association of Otorhinolaryngologists – Head and Neck Surgeons), the College carried out a survey involving all of the surgical specialties to gauge the extent of the problem. This highlighted that in a number of cases instruments were coming back to the theatre dirty or broken or going missing, which resulted in operations being cancelled. The problem is worst when instruments are sent away from the hospital to centralised decontamination centres. The College called on the Department of Health (DH) to halt the current programme of outsourcing decontamination until it can be sure that sending instruments off site is not having a detrimental effect on patient care. Together with the British Orthopaedic Association, we met with the DH to put forward our concerns.

Patient Access to Treatment

With the support of the National Clinical Audit and Patient Outcomes Programme funded by the DH, the College's Clinical Effectiveness Unit (CEU) is working on two national cancer audits looking at breast cancer and oesophagogastric cancer. Initial findings of the former suggest that only one in ten women with breast cancer are getting access to reconstruction surgery at the time of their mastectomy, despite recommendations from NICE in 2002. The College wrote to health secretary Alan Johnson MP to highlight that it is important that women with breast cancer who have a mastectomy are offered the choice of breast reconstruction at the time of their operation as this can help reduce the number of operations needed, minimise the psychological impact of a mastectomy and achieve better cosmetic results. Alan Johnson replied that NICE will publish guidelines on breast cancer in 2009 that will cover surgical management and breast reconstruction.

Initial findings of the oesophagogastric cancer audit emphasised that although patients with this type of cancer are surviving longer due to better services, palliative care needs to be improved by giving greater support for palliative care clinicians and nurse specialists.

> “I feel better today than I have since the operation because of the reassurance I have gained from your leaflet.”
>
> *Jo Bradley, Preston*

Patient Information

The College, surgical specialty associations and the Patient Liaison Group, with funding from the Department of Work and Pensions, produced web-based information offering practical advice for patients on how to get back to their working lives as soon as possible following a number of common surgical procedures. The information fills the current knowledge gap that many patients experience following an operation and explains what to expect after the procedure, advice on how to recover quickly and a plan on returning to work.

“I just wanted to say thank you for the ‘Get Well Soon’ leaflet on gall bladder removal you have posted on your website this week.

I had my gall bladder removed two weeks ago and I have felt very isolated and confused at home with no advice or guidance on whether my recovery is going along as it should. And then I heard about your leaflet on Radio 2 last week and I went and read it this morning.

It answers all the questions I had and reassured me about the anxieties I was struggling with. It is beautifully written and not at all patronising and the traffic light table is particularly useful.

I feel better today than I have since the operation because of the reassurance I have gained from your leaflet.”

Jo Bradley
Preston

We have worked to educate the public about surgery through assisting with the BBC documentary series on the history of surgery. We also provided information for documentaries on the training of surgeons, robotic surgery and the donation of bodies for medical science.

The Patient Perspective

"Twenty four years ago my three year old son looked at me from his hospital bed and said: 'I want to go to sleep and never wake up.' He was let down by negligent and sub standard treatment by several branches of the medical profession.

He then became and remains dependent on the outstanding skills of surgeons and the competent delivery of a professional health service.

I know better than most the emotional and logistical pressures on families who face the prospect of children undergoing surgery. Fortunately, most surgical interventions do not take place under such traumatic conditions although any experience is likely to be stressful.

As a Patient Liaison Group at the Royal College of Surgeons we are committed to helping the College deliver a service that meets patients' needs. One way we do this is to demonstrate the crucial nature of communication between patients and surgeons and, in the case of children, their parents or guardians as well. Communication is a two way process and interaction between the surgeon and patient has a powerful impact on the success of treatment."

Mary Gay
Vice chair of the Patient Liaison Group

The Patient Liaison Group

Improving standards of patient care remains the focus of the work of the College. The Patient Liaison Group (PLG) demonstrates our commitment to patient involvement by providing a formal mechanism for patient representation and encouraging dialogue between surgeons and patients. The PLG strives to ensure that surgical patients have access to information that is clear, honest and accurate.

Providing patients with answers to questions on surgeons, operations and types of surgery through the College website is a key role for the PLG and in February 2008 it published an information leaflet for children, *Going into Hospital for an Operation.*

Over the past year the PLG has continued to promote the importance of good and effective communication between surgeons and their patients. It has been working to ensure that communication skills remain a central feature of surgeons' training and assessment. The group has campaigned for the retention of a communication skills element in the new MRCS examination.

The PLG has actively contributed to the debate around changes to the UK's system of organ donation, giving oral evidence to the House of Lords' European affairs committee and written evidence to the UK Organ Donation Taskforce, emphasising the sensitivities around presumed consent.

The PLG provides a direct public voice in the work of the College and is represented on many work groups including Council, the College's overarching governing committee.

Providing Leadership on Health

A focus of the College's work for 2007–2008 has been to provide strong leadership, support surgeons throughout their surgical careers and influence areas of health care policy that affect the surgical profession. Over the past year the College made representations to the government, key decision makers and policy makers at the DH on important areas including Modernising Medical Careers (MMC), the workforce challenge, the European Working Time Directive (EWTD) and the reconfiguration of surgical services. We gave evidence to the health select committee on MMC and addressed the Associate Parliamentary Group on Surgical Services on this issue and the EWTD. David Cameron, leader of the Conservative party, and shadow health secretary Andrew Lansley MP addressed the College in June 2008 on the party's approach to improving health outcomes.

Patient Outcomes in Surgery

The College is leading on publishing information about the success of individual operations. We are working with each of the nine surgical specialties* on public reporting of surgical team outcome data to enable effective patient choice, provide an early indicator of problems and give surgeons vital information on how to improve surgical technique and patient care.

We held a seminar in May 2008 on patient outcomes in surgery, chaired by Sir Ian Kennedy of the Healthcare Commission. Professor Sir Bruce Keogh, medical director for the NHS, stated that cardiac surgical teams have led the way in publishing survival rates and this model will now be extended to other common operations through the NHS Choices website. The medical royal colleges have been helping to develop the standards for revalidation of all doctors and these standards will be built around outcome information.

We have been involved in research to determine the most effective and popular models for patient-reported outcome measures (PROMs). Commissioned by the Department of Health (DH), our Clinical Effectiveness Unit (CEU) carried out a feasibility study assessing the most effective ways to gather, understand and present patient feedback on routine surgical outcomes. Outcomes of five common elective procedures were assessed: cataract surgery, hernia repair, hip replacement, knee replacement and varicose vein surgery. The report recommended the use of PROMs but identified challenges that need to be addressed, for example the time pressures on staff and patients.

* The nine surgical specialties are: cardiothoracic surgery, general surgery, neurosurgery, oral and maxillofacial surgery, ENT surgery, paediatric surgery, plastic or reconstructive surgery, trauma and orthopaedic surgery, and urology.

The health select committee's inquiry into independent sector treatment centres (ISTCs) in 2006, in which the College gave evidence, stated that 'there was no hard, quantifiable evidence to prove that standards in ISTCs differed from those in the NHS' and 'recommended that comparable and standardised data be collected'. The DH therefore commissioned the CEU to carry out an audit to examine the outcomes in surgery in ISTCs and NHS facilities.

From April 2009 all hospitals will be required to publish PROMs for hip and knee replacements, hernia repair and varicose vein surgery. The DH is currently commissioning a major audit studying patient outcomes for these operations in every NHS hospital and ISTC. It is expected that from 2010 onwards about 500,000 patients a year will be covered.

Delivery of Surgical Services

Over the past year the College has engaged with all three main political parties to influence policy development in health care. The College attended all three political party conferences and ran a joint fringe event with The Health Foundation and the Alzheimer's Society on the reconfiguration of health services. The debate highlighted the College's views that for some people the risk involved in travelling that extra distance is worthwhile in terms of the quality of care received and that treatment should be 'local where safe, central where necessary'.

The European Working Time Directive

The College continued to put forward concerns regarding the introduction of the EWTD, in particular the impact that the significant reduction in working hours will have on service delivery and training. The College is working to ensure that surgeons have the knowledge and skills to design rotas that protect patient safety, minimise disruption to training and provide the best levels of continuity of care. We are also collaborating with the Royal College of Anaesthetists on a joint project to examine the current level of compliance with the 2009 EWTD requirements for a 48-hour working week so that we can share learning and good practice with our fellows and members. As part of this project we are working to provide rota planning software to surgeons so that training opportunities can be maximised.

Independent Sector Treatment Centres

The College has continually raised concerns about the need for appropriate training in ISTCs, following the increasing transfer of elective surgery to the independent sector. We worked with senior DH colleagues, independent sector providers and postgraduate deans to explore potential models of training in the independent sector and to try to ensure that appropriate training takes place in first- and second-wave ISTCs. After making representations we were pleased with the DH decision not to proceed with a third wave of ISTCs, to remove the additionality clause that previously prevented NHS consultants from working in ISTCs and to require second-wave centres to provide training opportunities for junior doctors. The College will continue to work to ensure that training is delivered appropriately and standards are maintained.

The Surgical Workforce

Over the last year Mr Bernard Ribeiro, president of the College, pushed to secure a significant temporary expansion of Specialty Training year 3 (ST3) posts and to ensure that selection into run-though surgical training programmes will in future be at ST3 level. We sought to secure additional posts but numbers have been disappointingly low: 49 extra national training numbers in 2007 and 37 in 2008.

The College's post-Certificate of Completion of Training (CCT) clinical fellowships initiative will introduce 70 fellowships for surgery in 2008–2009. This will provide opportunities for individuals to obtain specialist skills and experience not readily available within training programmes and will offer specialised regional services for managing rare and complex conditions.

Sir John Tooke carried out an independent inquiry into MMC, which produced a comprehensive analysis of the problems that affected the MMC programme and the causes of the 2007 crisis. The College agreed with the recommendations in Sir John Tooke's final report and has been pressing for these to be implemented. The health secretary accepted many of the inquiry's recommendations for change and improvement and the DH published a workforce strategy.

The president appeared before the health select committee of the House of Commons in January 2008 to give evidence to its inquiry into MMC. He reiterated that the College had repeatedly put forward plans for a transition to a new process of selection of trainees over three years and had called for extra posts.

The NHS Next Stage Review

The College submitted policy ideas to Lord Darzi on the *NHS Next Stage Review* focusing on the provision of trauma care, the need to separate emergency and elective care, the provision of children's surgery, workforce issues, and the impact of the EWTD on training and service delivery. We welcomed the emphasis of the final report on quality of service and its commitment to re-engage clinicians in the management of the NHS and in planning its future development. We were disappointed, however, with the missed opportunity to establish a system for the effective emergency treatment of trauma, which had been recognised as an important dimension in many of the strategic health authority vision documents.

Recertification

The introduction of a system of regular revalidation for the medical profession, which will require doctors to demonstrate their fitness to practise at least every five years, is welcomed by the College. The process of recertification will assure the public that surgeons have met the standards expected of them by the College and their specialty association and have kept up to date with evolving knowledge and technology. We are working with the specialty associations to establish standards by which surgeons on the specialist register will be measured and assessed; outcome information will be a key source of evidence for these standards.

Supporting Surgeons through Education and Training

The College works closely with medical schools, deaneries, the surgical specialty associations and other colleges to provide comprehensive, seamless education throughout the UK to meet the training needs of all surgeons and the surgical theatre team. We are the largest provider of postgraduate surgical education in the UK, delivering more than 600 specialist courses a year to 10,000 participants.

Surgical Training

To support the College's role in leading the development of safe surgical practice and ensuring standards are consistently reached across the profession, a new state-of-the-art surgical skills facility opened at the College in October 2007. The Wolfson Surgical Skills Centre includes a purpose-built surgical workshop with nine specially designed dissection tables enabling 36 participants to undertake hands-on cadaveric work. With the introduction of the Human Tissue Act 2004, surgeons have the opportunity to practise surgical techniques on donated human bodies in this centre before taking their skills into hospital operating theatres.

We have introduced a number of courses that cover most of the surgical specialties and include *Operative Skills in Urology*, *Specialty Skills in Cardiothoracic Surgery*, *Essential Skills in Neurosurgery* and *Specialty Skills in Oncoplastic and Breast Reconstruction Surgery*.

We are currently building a clinical skills unit to support the Wolfson Surgical Skills Centre. The clinical skills unit will house the latest technology and will include a bench-top skills area, a minimally invasive surgery and critical skills area and a virtual operating theatre for theatre team training.

Specialty Skills in Emergency Surgery and Trauma

"I was two hours into an evening shift as an ST1 trainee in general surgery when a patient was brought into the resuscitation room with a stab wound to the chest. The next few minutes were critical; the skills, knowledge, judgement and decision making of the surgical team determined whether this patient survived.

Six hours earlier I was thinking through exactly this problem in the Specialty Skills in Emergency Surgery and Trauma course in the new Wolfson Surgical Skills Centre at the Royal College of Surgeons, practising skills on a pig carcass. The skills I learnt covered the breadth of emergency general surgery that I am likely to encounter as an on-call surgical trainee. I reviewed the evidence on the management of conditions ranging from superficial abscess through to necrotising pancreatitis, identified the critical decisions and practised surgical techniques relevant to emergency surgery and trauma, including an emergency department thoracotomy.

Mapped directly to the Intercollegiate Surgical Curriculum Programme, this is an introductory course in an educational suite that supports surgeons through their training and beyond in the management of emergency surgery and trauma care. The aim is to develop confident, proficient surgeons of the future who are trained to provide expert care of critically ill surgical patients – patients like the one I had to manage only hours after I finished the course."

Imran Raza
ST1 trainee in general surgery

The College has introduced a number of new courses over the past year that have received positive feedback:

Specialty Skills in Cardiothoracic Surgery 'Enthusiastic faculty, knowledgeable, adjusted workshops and lectures according to team's experience'
Specialty Skills in Emergency Surgery and Trauma 'An excellent course. The materials and equipment were first class… a very good ratio of faculty to participants'
Advanced Wrist Workshop – 'Good anatomical dissection and discussions'
Clinical Skills in Spinal Assessment and Management – 'The mix of lectures, case-based discussions and clinical skills was very good and greatly benefited learning and made the course more interesting and effective'
Operative Skills in Urology 'Expert teaching, thorough and interactive'
Reconstructive Techniques in Urology 'Expert discussion and demonstrations'
Neuro-oncology 'Without doubt the best course I have ever been on'
Advanced Neuro-oncology 'Very relevant, very inspiring'
General Paediatric Surgery for Paediatric Surgical Trainees 'This course has filled the long-awaited gap for intensive preparation towards the exit exam. It is well thought out and planned, making it very comprehensive'
Elective Skills in Facial Trauma 'Dissection workshop excellent'

An important aspect of our work is encouraging team working and our multi-professional courses include *Advanced Trauma Life Support® (ATLS®)*, which teaches the surgical theatre team a systematic approach in the management of trauma patients. We have also worked with the Vascular Society of Great Britain and Ireland and the British Society of Interventional Radiology to develop an *Endovascular Aortic Aneurysm Repair (EVAR)* course for surgeons, radiologists and radiographers. The *Care of the Critically Ill Surgical Patient® (CCrISP®)* course, now delivered nationally at 20 centres throughout the UK, has significantly improved survival rates in hospital intensive care units.

The Intercollegiate Surgical Curriculum Programme

The College has remained committed to the original underlying principles of MMC, which include broad-based training. This has been reflected through the structured training programmes in the new surgical curriculum. The intercollegiate surgical curriculum defines the standards for progression and incorporates assessments of competence. It is supported by a web-based e-portfolio to facilitate the annual review process and the award of the Certificate of Completion of Training (CCT). Since its introduction in August 2007, 3,500 trainees have registered on the Intercollegiate Surgical Curriculum Programme (ISCP) website and have been validated by their programme directors to use the system and, by the end of June 2008, 13,000 more people registered, including assessors and consultants.

> “As the end of the first year of the implementation of the Intercollegiate Surgical Curriculum Programme comes to an end and the first round of annual reviews of competence progression(ARCPs) are signed off, I am impressed at the way trainees and most trainers have used the system. The advantages of a structured learning programme and the ability to record competencies are clear to all those engaged.”
>
> **Mr Richard Hedges**
> **Core surgical training coordinator for South West Wales**

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Mr Richard Hedges,
Core surgical training coordinator for South West Wales

> “In Wessex we used the electronic Intercollegiate Surgical Curriculum Programme as the basis for the annual review of competence progression (ARCP). This tool is well presented and allows the panel to review all the information at the same time as we had it projected on a screen. This made for a very efficient process with all the information in one place. After some teething problems in understanding how to navigate the ARCP section, all the ARCP panels found it an excellent tool, particularly when compared to the paper record of in training assessment (RITA) system we had all been used to previously. The most impressive aspect is its immediacy and the simplicity of having all the information in one place for everyone to see.”

Paul Nichols
Core surgical training programme director for Wessex

ISCP INTERCOLLEGIATE SURGICAL CURRICULUM PROGRAMME

The Joint Committee on Surgical Training

The Joint Committee on Surgical Training (JCST) is an intercollegiate body working on behalf of the four surgical colleges in the UK and Ireland and the surgical specialty associations. With a specialist advisory committee (SAC) for each of the nine surgical specialties and five training interface groups covering areas straddling more than one specialty, it is the parent body for the ISCP and responsible for developing and maintaining standards across surgical training.

SACs and the staff teams who support them enrol trainees at the start of their training, monitor their progress and make recommendations to the Postgraduate Medical Education and Training Board (PMETB), or to the Irish authorities where applicable, when they are ready for the award of the CCT or Irish equivalent. On behalf of PMETB, SAC panels also evaluate applications for Certificates confirming Eligibility for Specialist Registration (CESRs), the route for those without CCTs who want to demonstrate that they have equivalent training and experience.

In 2007 the JCST made 436 CCT and 213 CESR recommendations to PMETB and submitted new specialty-specific guidance. It also updated the *Manual of Higher Surgical Training in the UK and Ireland.*

The Revised MRCS Examination

The College has been working with the surgical royal colleges of Edinburgh and Glasgow on the revised format of the MRCS examination for trainees, to reflect the new surgical training requirements introduced in August 2007.

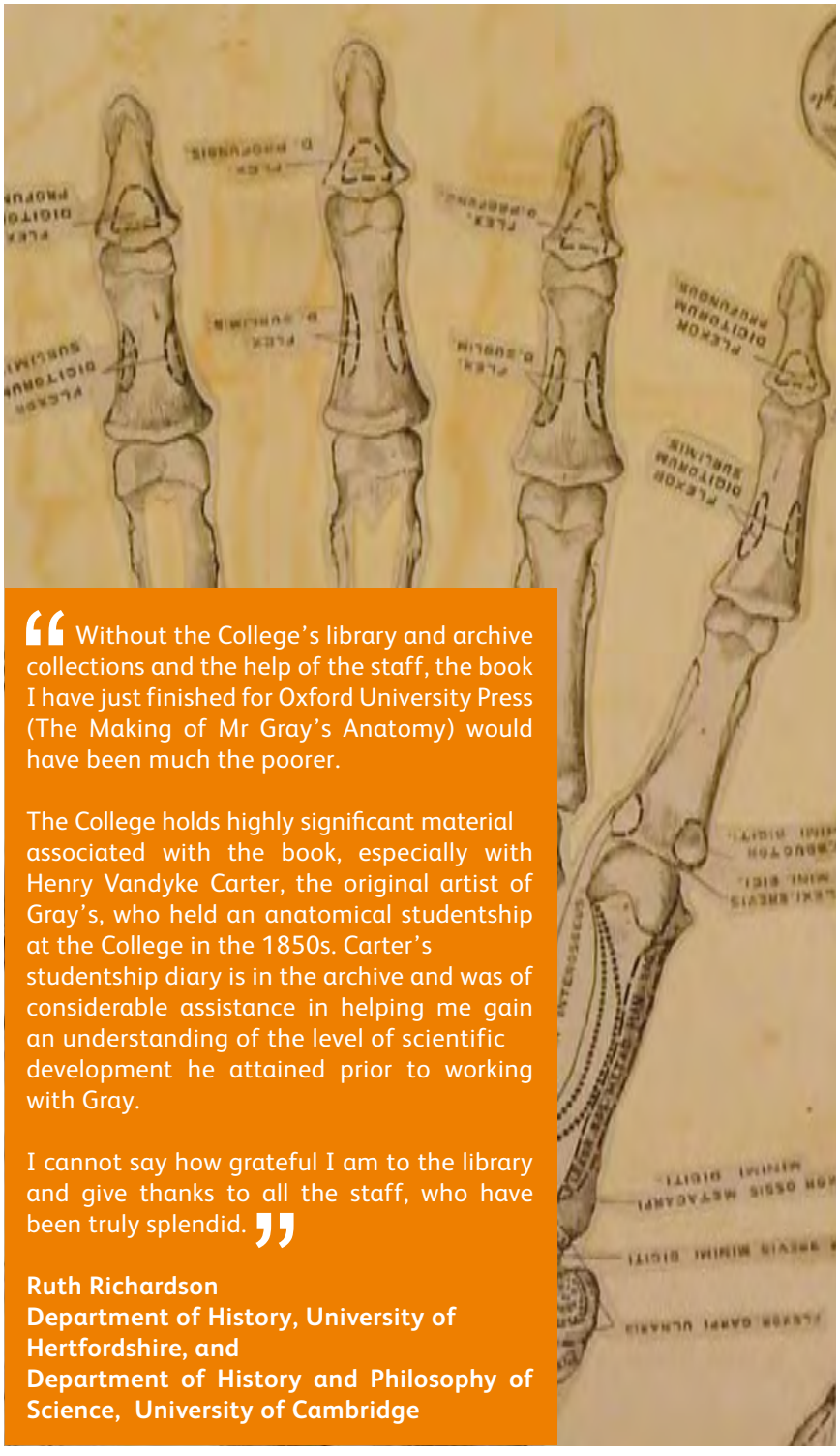
From September 2008 the MRCS will include an objective structured clinical examination (OSCE), which conforms to PMETB requirements. Sixteen stations test five broad content areas: anatomy and surgical pathology; surgical skills and patient safety; communication skills; applied surgical science and critical care; and clinical skills (history taking and physical examination). Six domains are tested via the broad content areas: clinical knowledge; clinical skill; technical skill; communication; decision making, problem solving, situational awareness and judgement; and organisation and planning.

Supporting Aspiring Surgeons

The College delivers a careers service that is inclusive, adaptable and responsive to the needs of surgeons and trainees. We also provide advice to both school and medical students about embarking on a career in surgery. A total of 40 students took part in the College's third surgical taster scheme, which provides sixth-form students in London's East End and Essex with an insight into the surgical work environment. This scheme enhances the portfolio of pupils who may not traditionally have considered a medical career and enables them to make more informed choices. This work is in conjunction with Aimhigher, a national programme run by the Higher Education Funding Council for England with support from the Department for Children, Schools and Families. Feedback from students who participated in 2007–2008 highlighted that the scheme was invaluable to their applications to medical school, with many now having been offered places.

The College's Women in Surgery (WinS) project provides advice, guidance and support for those women already in surgery or considering entering it. Since the project began in 1991, WinS has contributed to the doubling of the number of women consultants. In addition, it has established a network of over 2,000 women providing support and advice for each other.

> "I will be studying medicine at Queen Mary's from September. Thanks for organising a great scheme and my work experience, which really helped me in my personal statement and during my interview as part of my application."
>
> **Jessica Garner**
> **Student participating in the surgical taster scheme 2007 2008**



> “Without the College’s library and archive collections and the help of the staff, the book I have just finished for Oxford University Press (The Making of Mr Gray’s Anatomy) would have been much the poorer.
>
> The College holds highly significant material associated with the book, especially with Henry Vandyke Carter, the original artist of Gray’s, who held an anatomical studentship at the College in the 1850s. Carter’s studentship diary is in the archive and was of considerable assistance in helping me gain an understanding of the level of scientific development he attained prior to working with Gray.
>
> I cannot say how grateful I am to the library and give thanks to all the staff, who have been truly splendid.”
>
> **Ruth Richardson**
> **Department of History, University of Hertfordshire, and**
> **Department of History and Philosophy of Science, University of Cambridge**

Library and Information Services

The College library provides fellows, members, affiliates and examination candidates with learning resources to support their training, research, professional development and clinical practice. The online library provides electronic resources such as health databases and electronic journals from across the surgical specialties. With support from the College, the National Library for Health’s Specialist Library for Surgery, Theatres and Anaesthesia provides access to quality-assured, evidence-based information for the theatre team and surgical patients.

Made possible through a grant from the Wellcome Trust Research Resources in Medical History scheme, we started to conserve the first edition proofs of the engravings for *Gray’s Anatomy*, first published in 1858. *Gray’s Anatomy, Descriptive and Surgical* is the longest-running and best-known anatomical textbook in the world. To celebrate 150 years of *Gray’s Anatomy*, an exhibition in the library included the original woodblock engravings for the first edition of the book. The Wellcome Trust awarded us a grant of £63,260, allowing us to extend our early 19th century books cataloguing project to three years.

Pioneering Surgical Research

Investing in surgical research is crucial to improving the lives of patients. Over the years, fellows of the College have extended the frontiers of surgery through clinical research and the development of new operative techniques.

Our research fellowships enable young surgeons to carry out important research projects into any condition related to an aspect of surgery, in order to improve patient care. Each fellowship endows a full-time research programme lasting from one to three years, which is supervised in a UK department of surgery or, occasionally, overseas. The College relies heavily on voluntary contributions from companies, charitable trusts and individuals to fund the research fellowship scheme, thereby helping to ensure that enhanced surgical care for patients can continue.

In 2007 a total of 126 surgical trainees competed for 37 research fellowships.

Improving Protection of the Heart During Transplantation

Phil Botha
Institute of Cellular Medicine, University of Newcastle

Nearly 40 years have passed since the first human to human heart transplant was performed. Today, over 140 heart transplants are carried out every year in the UK.

During the heart transplant, all patients are submitted to a period of reduced (or absent) blood flow to the heart, which causes injury. Despite significant advances in the field, around 10% of patients undergoing heart transplantation still succumb to complications of this injury. Many more patients struggle through a prolonged recovery and evidence suggests that the injury that occurs during transplantation can also decrease the longevity of the transplanted heart.

This project examines sildenafil citrate, a drug perhaps best known as Viagra®, used in the treatment of male erectile dysfunction. Originally developed for the treatment of heart disease, it has been shown to have a powerful protective effect on the heart during periods on interrupted blood flow. This project will test the effectiveness of sildenafil citrate in a model of heart transplantation to improve survival rates of patients undergoing this operation.

Phil is supported by the Shears Foundation.

Treating Brain Cancer: A New Approach Using Photodynamic Therapy

Jane Ng
National Hospital for Neurology and Neurosurgery, London

Gliomas, the most common of brain tumours, are the sixth leading cause of cancer death in adults. Despite advances in surgery, radiotherapy and chemotherapy, their prognosis is extremely poor, with less than one year life expectancy from diagnosis.

The main problem is that these tumour cells are highly malignant but difficult to detect and they extensively invade normal areas of the brain, evading conventional treatment.

Photodynamic therapy is an experimental, though safe, treatment for gliomas. A 'photosensitising' drug, principally taken up by cancer cells, is activated by low level red light. Cancer cells are killed, leaving normal brain cells untouched. However, light penetration limits the effect to a localised area.

This research aims to generate brain tumour cells that produce light (bioluminescence), conferring to them the ability to activate a photosensitiser without relying on external light. Elusive glioma cells are targeted and treated, and patient outcome from this devastating disease is significantly improved.

Jane is supported by the Rosetrees Trust.

Plastic Surgery Reconstruction

Ben Horner
Royal Free Hospital, University College London, and Massachusetts General Hospital, Harvard Medical School

Plastic surgery literally means 'to mould' and the origins of plastic surgery were in developing methods to remould the body so as to reconstruct it after injuries and deformities. Today, the vast majority of plastic surgery has this aim (reconstructing patients after major cancers are resected, children born with congenital deformities, people who have suffered major burns and other injuries).

This research wanted to examine a new way to effectively reconstruct patients who have suffered terrible injuries or who have severe physical defects and for whom other options are limited. Reconstructive transplantation using tissues from other people, including hand and face transplants, has been successful. To promote wider application of these techniques the study addressed three issues. The research found that it is possible to perform a retransplant that is not limited in form or function by damage to the recipient. Using novel laser imaging techniques to see beneath the surface of the skin without damaging it, the research project was able to elucidate skin rejection mechanisms and look to a clinically applicable way to reprogramme the body's natural defences to accept a transplant. Early results have demonstrated that the experiments have been successful, which is extremely exciting as this overcomes a barrier against which there has been very limited progress over the last 55 years.

Ben is supported by the Grand Lodge 250th Anniversary Fund.

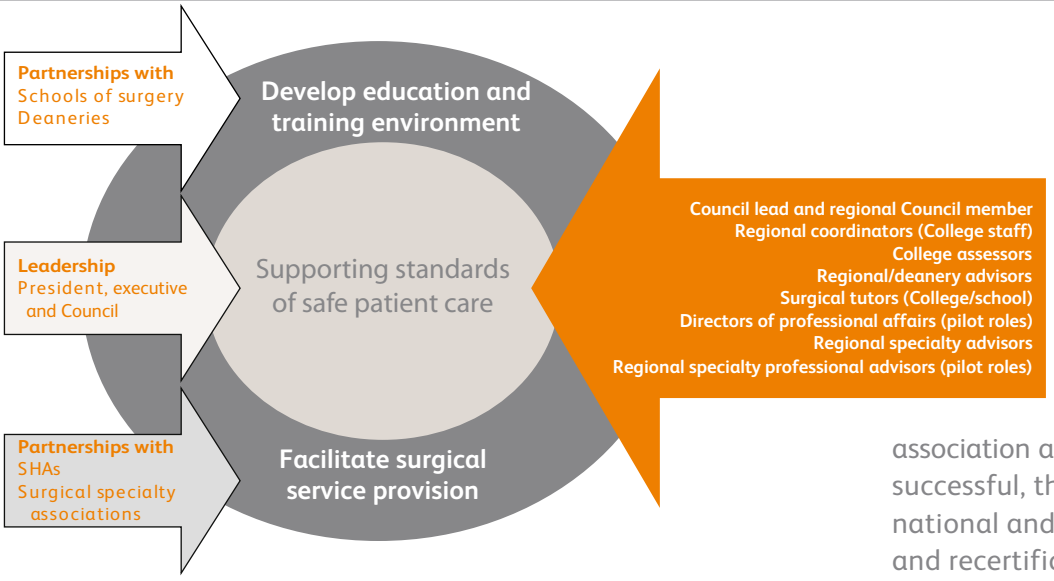
The National Collaborating Centre for Acute Care

Based at the College, the National Collaborating Centre for Acute Care (NCC–AC) is one of the seven collaborating centres established by NICE. It is a leading national centre of evidence-based medical research, producing evidence-based clinical guidelines. It works closely with patient representatives to incorporate a patient-care perspective in its guidelines and to improve surgical services. Over the past year the NCC–AC updated the guidelines in *Head Injury*, incorporating new recommendations for clinicians.

"The *Head Inquiry* guideline s updated advice will assist with the rapid as sessment of head injury in children and adults, and in ensuring that patients promptly receive the appropriate imaging when needed. New recommendations for imaging children with head injury are included, as well as advice that observation of admitted infants and children under the age of five years should be performed in units with staff trained and experienced in the observation of infants and young children. We expect that implementation of the guideline will increase the early detection of clinically important brain and cervical spine injuries, promoting rapid and effective treatment."

Professor David Lloyd
Member of guideline development group and paediatric surgeon

The National College



The College in the Regions

A focus of the College's work has been on the management and delivery of training in the workplace and working with those providing and managing surgical services to ensure the highest standards of patient care.

The College supports a team of staff (regional coordinators) and surgeons working across England, Wales and Northern Ireland. Their work is executed in partnership with the national surgical specialty associations and the local schools of surgery. The regional coordinators have supported the head of school and the programme directors in the deaneries in the delivery of the ISCP. We are currently piloting a regional (strategic health authority aligned) professional affairs structure that involves nine appointed regional professional specialty advisors in each region, led and facilitated by a College director of professional affairs. These advisors are accessible to their specialty colleagues and provide a link to their national specialty association and the College. If piloting proves successful, these advisors will connect the national and local processes of relicensure and recertification.

To assist them in their role in educational leadership, the College has introduced a new programme of development for the heads of schools of surgery. In addition, with the introduction of the new curriculum we are now running a course to support educational supervisors in their work on training and assessments.

The College is also working in partnership with the London deanery to provide surgical anatomy training to over 100 trainees in the London region over the next three years.

Over the year, the president visited a number of hospitals around the country, learning at first hand the issues affecting surgeons and the care of their patients and hearing about local innovations to improve surgical services. The president also met with Welsh minister for health Edwina Hart AM and the chief medical officer for Northern Ireland, Dr Michael McBride, and offered advice on reconfiguration of services.

The International College

The College plays a major role in delivering education programmes overseas and, in particular, in pioneering new methods of teaching and learning to convey surgical knowledge and skills in the most effective way possible. We have introduced surgical skills training in over 70 centres overseas and have an active link with: the University Hospital in Iasi, Romania; the University of Cairo, Egypt; the Millennium Medical School in Addis Ababa, Ethiopia; and the University of the West Indies, Barbados.

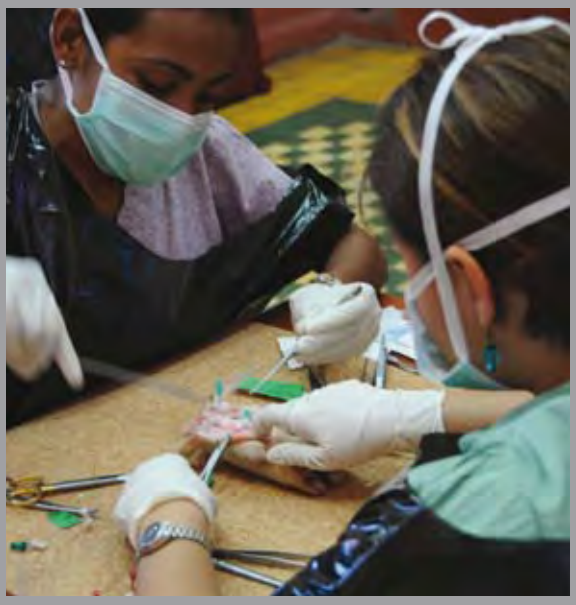
The College has a philanthropic role with regard to surgical education abroad since developing countries may lack the resources to set up practical courses without assistance. The president of the College met with Lord Crisp, former chief executive of the NHS and author of the report *Global Health Partnerships*, to discuss the College's role in providing health education and training in Africa. With the generous support of the Stefan Galeski fund we introduced a basic surgical skills course in El Salvador. The course is the foundation stone of safe surgical practice in the UK and has been adopted by nine countries. We have also established links with international surgical colleges and are working to support overseas fellows in China and Hong Kong. In April 2008 we led the *Introduction to Surgical Skills* course as part of a British Council trip to Iran.

The Faculty of Dental Surgery (FDS) has sent lecturers and examiners to Dubai, Saudi Arabia, Jordan, Egypt, India, Malaysia, Malta and Pakistan to assist in sharing the Faculty's expertise in specialist courses and examinations. Additionally, on behalf of the General Dental Council (GDC), the FDS

administers part 2 of the overseas registration examination for all overseas qualified dentists wishing to register with the GDC. The Faculty of General Dental Practice (FGDP(UK)) runs its membership examination and a diploma in implant dentistry in Hong Kong. It also organises study groups in Kenya, Nepal, India, Pakistan and Oman to support those studying for the FGDP(UK)'s membership examination.

Furthermore, the College has a humanitarian role seeking to support international surgical schools and in January 2008 we shipped training equipment from the former Hill Surgical Workshop, based at the College, to Sri Lanka. We also worked with aid agencies in Iraq.


ROSALES



The Hunterian Museum

Based at the College, the Hunterian Museum traces the history of four centuries of surgery. There are over 3,000 anatomical preparations, specimens of natural history and paintings owned by the surgeon John Hunter (1728–1793). The museum explores the development of surgery in Britain, traces the evolution of surgical instruments and medical equipment from the flint scalpel through to cutting-edge technology and provides inspiration for surgeons, scientists and artists.

Over the past year the museum attracted 43, 431 visitors, an increase of 17 % on the previous 12 months. To commemorate the 2007 bicentenary of the parliamentary abolition of the slave trade in the British empire, the museum staged an exhibition, *A Visible Difference: skin, race and identity 1720–1820*. This exhibition aimed to broaden current awareness of the history of the transatlantic slave trade through the history of medicine. It focused particularly on the hidden histories of black Africans living with skin pigmentation conditions in the 18th and 19th centuries. Over 200 secondary school students contributed to the project through an amazing display of visual images. The *NHS at 60* exhibition explored some of the major advances in surgery that have occurred since the start of the NHS and how patients have benefited.

The museum relies on its 70 volunteers to help deliver its public events programme, including guided gallery tours and talks, public and academic lectures, and workshops and demonstrations for schools and colleges. One of the highlights of the events programme was a demonstration by a re-enactor playing the part of a surgeon who would have worked in the 16th and 17th centuries, who talked about some of the operations performed at that time. More contemporary topics through the public lecture series included *Surgical Training in the Virtual Environment* and *The Artist and the Anatomist*.

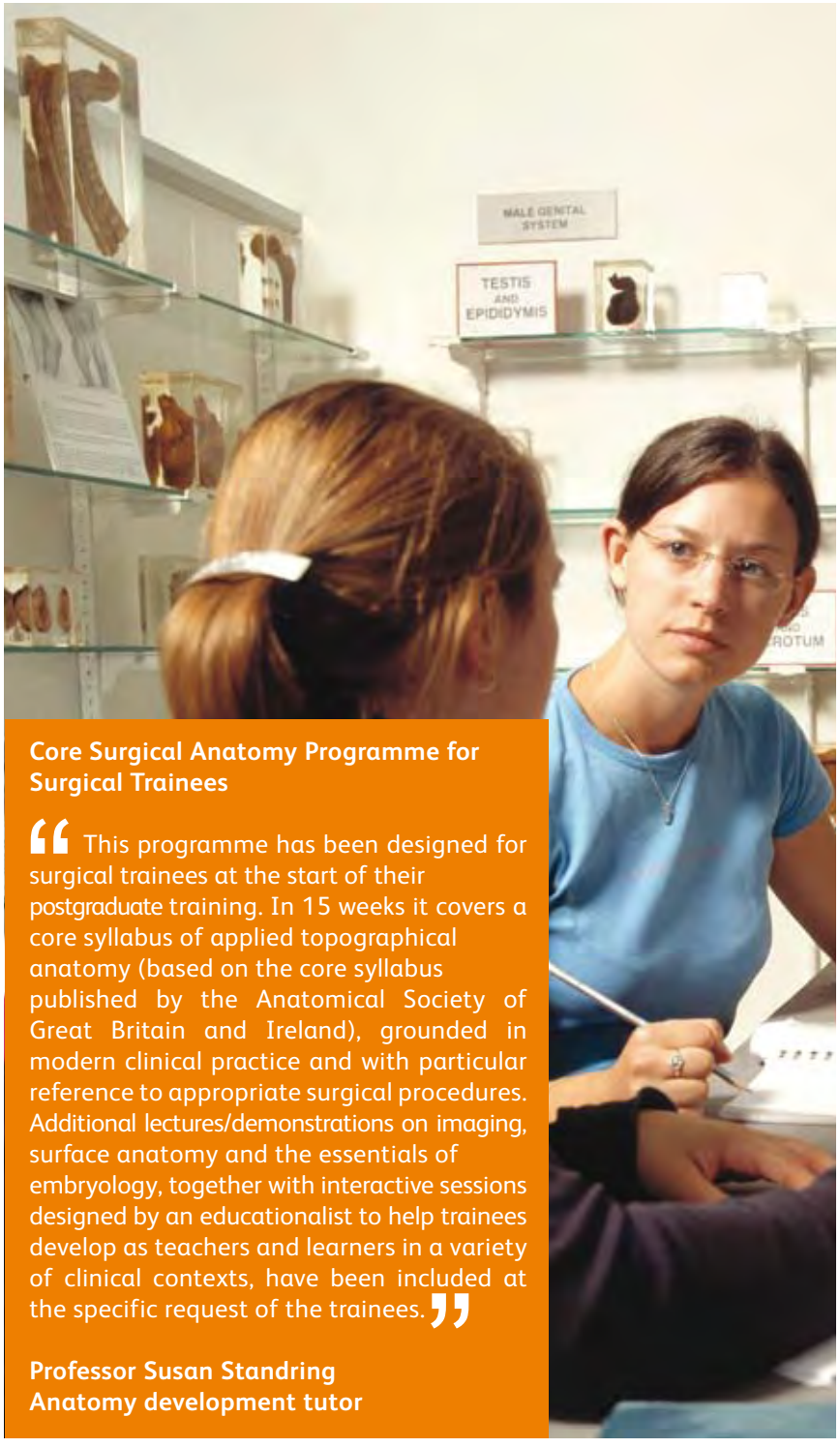
The College participated in the London Open House weekend in September 2007, which provided an opportunity for people to view the museum, library and architecture of the building.

The Hunterian Museum Volunteers Programme

"I retired as a consultant general surgeon about five years ago and have been a volunteer at the College for just over two years now. I come for the day about two or three times a month and have found the experience very enjoyable. Most of the time is spent staffing the desk at the Hunterian Museum where you meet a great variety of visitors ranging from professors of surgery from overseas to schoolchildren. It has been good to encounter many previous colleagues and trainees who wander into the museum. It has also been great to be associated again with the College – something it was difficult to do as a busy surgeon. There is a nice 'club' of volunteers and I have made many new friends, both medical and non-medical."

Mr Alan Stoker
Fellow of the Royal College of Surgeons of England

The Wellcome Museum of Anatomy and Pathology



Core Surgical Anatomy Programme for Surgical Trainees

"This programme has been designed for surgical trainees at the start of their postgraduate training. In 15 weeks it covers a core syllabus of applied topographical anatomy (based on the core syllabus published by the Anatomical Society of Great Britain and Ireland), grounded in modern clinical practice and with particular reference to appropriate surgical procedures. Additional lectures/demonstrations on imaging, surface anatomy and the essentials of embryology, together with interactive sessions designed by an educationalist to help trainees develop as teachers and learners in a variety of clinical contexts, have been included at the specific request of the trainees."

Professor Susan Standring
Anatomy development tutor

The Wellcome Museum contains a modern anatomical and pathological teaching collection and is used to support the education, training and examination of surgeons. Access is restricted to fellows and members of the College and to qualified practitioners and students of medicine, nursing and allied health professions.

The collection comprises more than 800 prosections demonstrating human anatomy, arranged according to the regions of the body, and a large number of resin casts of various systems of the body. It provides teaching resources including a fully articulated skeleton for anatomical study and sets of individual bones and teeth. It also contains over 2,000 preparations demonstrating all the important branches of surgical pathology. The Wellcome Museum has played an important role in the teaching of anatomy to surgical trainees through the College's core surgical anatomy programme, funded by the London deanery.


FALLOPIAN
TUBE

The Dental Faculties of the College

The Faculties Working Together

A close working relationship has developed between the two dental faculties, the FDS and the FGDP(UK). A main focus of activity during the year was the introduction of the Diploma of Membership of the Joint Dental Faculties at The Royal College of Surgeons of England (MJDF RCS Eng). The new assessment, a joint development, supports the changes to postgraduate medical and dental training and the drive for more flexible training pathways. The MJDF recognises the successful acquisition of knowledge and skills after completion of the two-year foundation programme for all dental graduates and provides a modern, fit-for-purpose assessment in line with current educational principles. It is the flexible starting point for practitioners who wish to develop their careers either in general or specialist practice.

> "The MJDF is an assessment that relies less on traditional tests of knowledge and more on workplace-based demonstration of competencies as set out in the *Curriculum for UK Dental Foundation ProgrammeTraining*. It will be the starting point for practitioners who wish to develop a modern dental career, either in general practice, the salaried services or as a specialist."
>
> **Peter Thornley**
> **Chief examiner for the MJDF**

The faculties also embarked on a major national e-learning programme for dentists and dental care professionals (DCPs) in collaboration with the dental faculties of the Scottish royal colleges and the DH. It will encompass the dental foundation curriculum and from 2009 will be available UK-wide and free of charge to all NHS trainees and anyone with an NHS contract.

The Faculty of Dental Surgery

The FDS continued to deliver a wide spectrum of courses and training programmes to support its role in preparing individuals to deliver dental health care to the highest standards. During the year, the FDS successfully launched a diploma in orthodontic therapy for dental care professionals in Leeds with assessment provided by the FGDP(UK). This will provide a route to GDC registration for orthodontic therapists. Further courses are proposed in London, Newcastle, Sheffield and South Wales.

The FDS hosts and administers the Joint Committee for Specialist Training in Dentistry and individual SACs. It advised on workforce planning, promoted standards of practice and provided representation for advisory appointment committees for specialist trainees, associate specialists, staff grades and consultants.

During the year, FDS awarded seven grants to support research-based studies. One study, for example, looked at the genetic markers to predict the onset of head and neck cancer, while another study looked at methods of teeth restoration.

The Faculty of General Dental Practice (UK)

The FGDP(UK) and the DH have worked together since 2005 to develop a series of competency frameworks for dentists with special interests (DwSIs). The frameworks are intended for use by dentists and primary care trusts and set out competencies for the scope of treatment that can be undertaken by dentists who have developed special interests in addition to their generalist role. During 2007–2008 the FGDP(UK) published frameworks in the areas of prison dentistry, conscious sedation, and leadership and management.

The FGDP(UK) continued its career development programme for general dental practitioners and established two important new courses to add to its expanding portfolio. The Certificate in Primary Dental Care, leading to an MSc degree, was launched in association with the University of Kent. In addition, the Diploma in Primary Care Orthodontics, a joint development with the British Orthodontic Society, was introduced. This programme is designed to support the DwSI initiative by developing additional orthodontic skills and improving access for patients to orthodontic services in the primary care setting.

To support continuing professional development for DCPs, the FGDP(UK) introduced the assessment of key skills for DCPs. This is an important development for DCPs who now need to be registered with the GDC and undertake mandatory continuing professional development.

> “I am delighted to be leading the e-learning project on behalf of the four dental faculties of the three UK royal colleges. The programme, which will be available UK-wide and free of charge to all NHS trainees and anyone with an NHS contract, represents a major step forward for dentistry.”

Professor Paul Brunton
Board member of the FGDP(UK) and clinical lead for the faculties’ e-learning project

Funding Partnerships

Foundations, Charitable Trusts, Associations and Individuals

Andrew Anderson Charitable Trust
Ashley Charitable Trust
Ballinger Charitable Trust
Bernard Sunley Charitable Foundation
Coulthurst Trust
Dame Simone Prendergast Charitable Trust
Donald Forrester Trust
Dunhill Medical Trust
Enid Linder Foundation
Eranda Foundation
Frances and Augustus Newman Foundation
Gilbert and Eileen Edgar Foundation
George & Esme Pollitzer Charitable Trust
George Drexler Foundation
George Dudley Herbert Charitable Trust
Golden Bottle Trust
Grand Lodge of Freemasons 250th Anniversary Fund
Mr and Mrs Leon Grant
Heritage Lottery Fund
Huggard Charitable Trust
Integra Foundation
John and Lucille van Geest Foundation
John Charnley Charitable Trust
John Lyon's Charity
Joseph Strong Frazer Trust
Laurence Misener Charitable Trust
Medical Research Council
Professor AEW Miles
Museums, Libraries and Archives Council
Peacock Charitable Trust
Penrose Trust
Rosetrees Charitable Trust
Shears Foundation
Sir Samuel Scott of Yews Trust
Sue Hammerson Charitable Trust
Swann-Morton Foundation
Weinstock Fund
Wellcome Trust
Wesleyan Charitable Trust
Wolfson Foundation
Worshipful Company of Barbers
Wyndham Charitable Trust

Corporate Support

Astellas Pharma Ltd
AstraZeneca plc
BBraun Medical Ltd
Biomet UK Ltd
Cardinal Health
Carl Zeiss Ltd
Codman Ltd
ConvaTec Ltd
Cordis Endovascular
DePuy International Ltd
DePuy Spine
Ethicon Endo-Surgery
Ethicon
Ethicon Women's Health and Urology
Karl Storz Endoscopy (UK)
Limbs and Things
Medartis Ltd
Medtronic Ltd
Mentor Medical Systems
Mölnlycke Health Care Ltd
Novartis Oncology
Nutricia Baby Division
Olympus KeyMed Ltd
Roche Products Ltd
Scient'x UK Ltd
Smith & Nephew plc
Stryker UK
Synthes Ltd
Vascutek Ltd
WL Gore Associates (UK) Ltd
Zimmer Ltd

As a registered charity (number 212808), the College relies upon charitable support to underpin its work in advancing surgical standards through education, research and training.

The College is grateful to its many supporters, whose donations and encouragement are crucial as the demands on the College's limited resources become ever greater. We would like, in particular, to acknowledge the following foundations, charitable trusts, companies and individuals.

Eagle Project

AJ Burton Charitable Trust
Basil Samuel Charitable Trust
Enid Linder Foundation
Ethel and Gwynne Morgan Charitable Trust
FB Laurence Charitable Trust
George Drexler Foundation
Grocers' Company
HB Allen Charitable Trust
Henry Lumley Charitable Trust
John Raven Will Trust
Kathleen Raven Bequest
Kirby Laing Foundation
Marks & Spencer plc
PF Charitable Trust
Roger Raymond Charitable Trust
Vandervell Foundation
Wolfson Foundation
Worshipful Company of Cutlers
Worshipful Company of Apothecaries

Endowed and Restricted Funds

Blond McIndoe Fund
Buckstone Browne Gift
Doctor Shapurji H Modi Memorial ENT Fund
Edward Lumley Fund
Fellows Fellowship Fund
Guyatt Fund – Sir Alan Parks Research Fellowship
Harold Bridges Bequest
Harry Morton Fund
Laming Evans Research Fund
Lea Thomas Fund
Lillian May Coleman Fund
Peter and Nora Locan Fund
Norman Capener Fund
Osman Hill Collection and Research
Parks Visitorship
Philip and Lydia Cutner Fund
Preiskel Family Fund
Shortland Legacy
Simpson Legacy
Estate of the late Dr MP Starritt
Vandervell Research Fund

Legacies

The late Mr RD Barnes for general charitable purposes
The late Mrs PM Bassett for general charitable purposes
The late Mr AE Bowen for general charitable purposes
The late Mr RP Brackstone for general charitable purposes
The late Miss ED Byard for general charitable purposes
The late Mrs JI Carter for general charitable purposes
The late Mr DFG Clark for surgical research
The late Miss DK Cooke for general charitable purposes
The late Miss JR Cox for surgical research
The late Mr HW Durnell for general charitable purposes
The late Mrs DM Eadie for general charitable purposes
The late Mr GGT Fletcher for surgical research
The late Mr AR Graham for general charitable purposes
The late Mr E Grossman for cancer research
The late Mr DDC Howat for general charitable purposes
The late Mrs PAIM Kallar for general charitable purposes
The late Mr DS Knights for general charitable purposes
The late Mrs CL Lawler for general charitable purposes
The late Mrs DMS Loudan for general charitable purposes
The late Miss BM Mackenzie for general charitable purposes
The late Mr SP Newbery for general charitable purposes
The late Mrs BB Pomfret for research in heart disease
The late Mr BB Preiskel for the Preiskel Family Fund
The late Miss SM Ravenhill for general charitable purposes
The late Miss A Robinson for education
The late Miss ED Rogers for general charitable purposes
The late Ms DM Sheppard for surgical research
The late Mr RJ Stafford for research in neurosurgery
The late Mr RM Sturdy for general charitable purposes

Trustees' Report and Financial Statements 2007-2008

Legal and Administrative Details

Charter

The Royal College of Surgeons of England was established by royal charter in 1800 to promote and encourage the study and practice of the art and science of surgery. Its earlier history lies in the records of the City Companies of Surgeons and Barber Surgeons. The affairs of the College are regulated by its founding and subsequent charters and ordinances. The most recent of these was granted in March 1992. The College is a registered charity and its number is 212808.

Constituent parts

For administrative purposes, the College comprises the commonalty of surgeons, the Faculty of Dental Surgery and the Faculty of General Dental Practice (UK).

Council

The Council is the governing body of the College and the elected members of Council are its trustees. Council consists of 24 elected surgical fellows and two dental surgery fellows elected by the Board of the Faculty of Dental Surgery. In addition, a number of invited members representing specific interests, including the dean of the Faculty of General Dental Practice (UK), attend Council meetings. The elected members of Council throughout the year to 24 June 2008 were:

President

Mr B Ribeiro

Vice-presidents

Miss A Moore
Mr RCG Russell

Mrs L de Cossart
Professor AR Mundy
Mr R Collins
Professor D Neal
Mr J Black
Mr WEG Thomas
Mr D O'Riordan
Professor I Taylor
Mr DHA Jones
Mr B Rees
Mr CP Chilton
Professor AAP Narula
Mr I McDermott
Professor B Avery
Professor N Williams
Professor J Stanley
Professor M Horrocks
Mr D Ward
Mr R Greatorex
Mr J Getty
Mr M Parker
Miss SA Boddy
Professor D Willmot

In July 2008 Mr J Black was elected president and Mr W Thomas and Mrs L de Cossart were elected as vice-presidents. Mr B Ribeiro, Miss A Moore and Mr RCG Russell demitted, and Mr S Cannon, Mr C Milford and Mr D Alderson were admitted.

The principal officers employed by the College were:

Executive general manager	Mr DL Munn
Adviser to the president	Mr C Duncan
Communications	Dr A Cook
Professional standards/regulation	Mrs K Smith

Legal and Administrative Details (continued)

Education	Dr N Briggs / Ms F Alexander (interim)
Examinations	Mr A Woodthorpe
Research	Mr MP Coomer
Internal services	Mrs J Weller
Finance	Ms A da Silva
Development	Mr J Fountain
Registrar of the Faculty of Dental Surgery	Mr J Vandridge Ames
Registrar of the Faculty of General Dental Practice (UK)	Mr I Pocock

Professional advisers

Bankers	**C Hoare & Co**, 37 Fleet Street, London EC4P 4DQ
	HSBC, Poultry & Princes Street, London EC2P 2BX
Auditors	**Deloitte & Touche LLP**, 2 New Street Square, London, EC4A 3BZ
Solicitors	**Bircham Dyson Bell**, 50 Broadway, London SW1H 0BL
	Eversheds, Senator House, 85 Queen Victoria House, London EC4V 4JL
Investment managers	**Newton Investment Management Ltd**, 160 Queen Victoria Street, London EC4V 4LA

Investment powers

The investment powers of the College detailed in the ordinances attached to the 1992 charter have now been widened by the Trustee Act 2000. The general funds investment strategy of maximising total return remains unchanged, while the common investment and other funds now have an income target, maximising total return thereafter.

Management and organisation

Council is responsible for the overall direction of the College and delegates the direction of specific functions to members of Council. Trustees, when appointed, are given an induction course on the College and courses on charitable activities are made available when required. The College management is organised on a divisional structure to suit the developing activities of the College. The executive general manager is responsible for the overall management of the College and delegates management of specific functions to division officers, each of whom is head of the department supporting the division and works under the direction of the responsible member of Council. Division functions, their role and Council members involved during the year were as follows:

DIVISION		COUNCIL MEMBER RESPONSIBLE
Finance	Overall divisional responsibility	Mr RCG Russell (vice-president)
	Accounting and financial control	Mr J Black (treasurer)
	Investment management	Professor AAP Narula

DIVISION		COUNCIL MEMBER RESPONSIBLE
Internal services	Overall divisional responsibility	Mr RCG Russell (vice-president)
	Accommodation, facilities, staff policies and procedures, and health and safety	Mr R Collins
	Information systems	Mr D O'Riordan
	Library and information services	Mr J Getty
	Museums and special collections	Mr DHA Jones
Professional affairs	Overall divisional responsibility	Miss A Moore (vice-president)
	Professional standards	Professor I Taylor
	Delivery of surgical services	Mr D O'Riordan
	Regional policy – training	Mrs L de Cossart
	Regional policy – professional support	Professor I Taylor
	Education	Mr WEG Thomas
	Quality assurance and inspection	Mr R Collins
	Research	Professor N Williams
	Examinations and assessment	Mr D Ward
Communications, dental faculties and presidential	Overall divisional responsibility	Mr B Ribeiro (president)
	PR and communications	Mr B Ribeiro (president)
	Strategy	Professor AR Mundy
	Publications	Mr WEG Thomas/Professor I Taylor
	Patient Liaison Group	Mr J Black
	Faculty of Dental Surgery	Professor B Avery (dean)
	Faculty of General Dental Practice (UK)	Mr R Hayward (dean)

The Faculty of Dental Surgery and the Faculty of General Dental Practice (UK) report to Council and have their own committee structure. Each faculty has a dean's committee concerned with day-to-day management. The Faculty of General Dental Practice (UK) has 21 regional divisions that manage their own affairs under the direction of the Faculty; their results are included in these financial statements.

Council and the boards of the two dental faculties are elected by the subscribing fellows and members. The numbers for each category are as follows:

		2007-08	2006-07	2005-06	2004-05
Surgeons	UK	8,376	7,969	7,615	7,173
	Overseas	1,799	1,477	1,375	1,423
Faculty of Dental Surgery	UK	2,604	2,472	2,372	2,239
	Overseas	478	415	377	358
		13,257	**12,333**	**11,739**	**11,193**
Faculty of General Dental Practice (UK)		**3,890**	**3,392**	**3,347**	**3,245**

Trustees' Report

Trustees' responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year in accordance with the United Kingdom's Generally Accepted Accounting Practice (UK GAAP) that give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comstate whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy the financial position of the College and which enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the royal charter. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additionally, Council acknowledges its responsibility for ensuring adequate levels of risk management and internal control. These have been strengthened by the creation of a strategic plan and a three-year business plan for the College. A risk management review is in the process of being revised. The main risks identified are investment performance and income, which has been ameliorated by diversified portfolios and continuous review. Internal financial controls fulfil the Charity Commission guidelines in all material respects and are enhanced by strong budgetary and management accounting procedures.

Objectives and policies

Mission statement

The Royal College of Surgeons of England is committed to enabling surgeons to achieve and maintain the highest standards of surgical practice and patient care.

Core values

We will:

- put the interests of patients at the heart of all we do;
- provide leadership and support for surgeons of all specialties;
- develop the potential of surgeons through education, training and research;
- work closely with the specialty associations and other organisations to achieve our mutual aims;
- foster and develop the College's employees;
- promote equality of opportunity and act against discrimination in all aspects of College life; and
- be fair, responsible, open and accountable for all we do.

A summary of the College's strategic aims

1. Provide strong leadership and support for surgeons in all matters relating to their surgical practice, throughout their surgical careers.
2. Work with patients, the general public and government to improve surgical services.
3. Consolidate the College's position as a leading national and international centre for surgical education, training, assessment, examination and research.
4. Lead the whole multiprofessional surgical team in all matters relating to the care of the surgical patient, including the surgical treatment of children, and further develop its role in setting and maintaining standards of practice for all the members of that team throughout their careers.
5. Develop the College's structure and function to allow it to achieve its goals.
6. Promote, by consultation and collaboration with the other royal colleges, the specialty associations and other interested parties, the development of an effective single voice for surgery on relevant professional issues.

Review of Transactions and Financial Position

Trustees' responsibilities

The law applicable to charities in Review of Transactions and Financial Position.

For a full understanding of the financial activities of the College it is necessary to review the 'Consolidated Statement of Financial Activities' (page **48**) and 'Consolidated Balance Sheet' (page **50**) together with the 'Analysis of resources arising and used by department' (page **67**).

The income and expenditure account aggregate surplus of £0.9 million as shown on the statement of financial activities, before investment capital losses, consists of a deficit of £1.0 million on unrestricted funds, a surplus of £2.0 million on restricted funds and a deficit of £0.1 million on endowed funds.

The deficit on unrestricted funds was mainly due to a decrease in legacies income and lower than expected course income in some areas. Costs have generally remained well controlled and include planned spend on new project initiatives.

The surplus on restricted funds of £2.0 million (before transfers) comprises a net increase in grants held of £1.9 million and an increase of £0.1 million in trust fund balances used for funding educational, research and museum project developments. The increase in grants comprises the Eagle refurbishment project donations of £1.8 million, which will be used to match depreciation once the project is complete, and a net increase in other grants of £0.1 million. Endowed funds were reduced by £0.1 million of investment portfolio management fees to be charged against the capital value of the fund.

When the aggregate surplus of £0.9 million on the income and expenditure account is amalgamated with the decrease of £5.8 million in the capital value of the College investment portfolio, an overall decrease in net worth of £4.9 million is the outcome for the year. The capital value of the College's investment portfolio has been affected adversely by current economic conditions.

Income

Overall income generated of £26.5 million (2007 – £25.1 million) was 5 % or £1.4 million higher than the previous year. Under SORP 2005, income is required to be reported under three categories: 'Voluntary income' of £6.6 million, 'Activities for generating funds' of £5.9 million and 'Activities to further charitable objectives' of £14.0 million.

- The value of donations and gifts received was higher than the previous year, mostly in restricted funds. This is mainly due to donations received for the Eagle refurbishment project. These have to be recognised as income while the expenditure that they have funded is being capitalised in Fixed Assets. These donations will be used to match depreciation once the project is complete.
- Legacies are unpredictable and were significantly lower than in the previous year.
- Grant income remained static.
- Residential and conference income has remained stable due to the continuing success of an effective marketing strategy of College facilities.
- Investment income levels were higher than in the previous year due to some one-off dividend payouts.

- Course income has increased significantly due to a higher number of courses being organised in the dental faculties.
- Examination income has remained stable, mostly due to a new dental examination.
- Subscription income shows an increase due to a small increase in both subscriber numbers and level of subscription.
- Rents, charges and sales income has risen significantly as a result of increases in project sponsorship and very high VAT recovery income due to a change in Inland Revenue procedures.

Expenditure

Operational expenditure of £25.6 million (2007 – £24.3 million) was incurred during the year on all activities and reflected a 5% or £1.3 million increase on the previous year. Under SORP 2005, expenditure is required to be reported under three categories: 'Cost of generating funds' of £3.1 million, 'Charitable expenditure' of £21.9 million and 'Governance' of £0.7 million.

The 'Cost of generating funds' category has increased marginally.

'Charitable expenditure' includes the majority of categories:

- The level of education and course expenditure was higher than the previous year due to a greater number of courses being run in the dental faculties.
- Expenditure on standards, regulation and examinations has increased slightly overall due to an increase in the Faculty of Dental Surgeons examinations expenditure mitigated by the project being completed during the year and cost savings in other areas of activity.
- The level of research expenditure was higher than the previous year due to an increase in research grant commitments.
- Clinical audit and other funded project expenditure has increased slightly due to an increase in project activity.
- Expenditure on museums and library has remained static and well controlled.
- Expenditure on communications and publishing has decreased substantially due to cost savings in some areas of activity.
- Other professional activities have increased due expansion in the dental faculties.

'Governance' costs have increased marginally.

The 'Analysis of resources arising and used by department' in note 15 reflects how the College is managed and is shown by individual departments.

Total capital expenditure for the year was £3.1 million, of which £0.5 million has been spent in selectively improving general facilities, while capital expenditure of £2.2 million has been incurred on the Eagle refurbishment project and £0.4 million on other information systems projects.

Hunter Trading Limited markets those conference and residential facilities not required for the College's own use. A surplus of £0.2 million was achieved in 2007–2008 as business increased with the improvement in general economic conditions. Its activities are consolidated in these financial statements.

Review of Transactions and Financial Position (continued)

Investments policy

The chaotic downturn of world markets has resulted in losses of £2.5 million in unrestricted funds with the portfolio being valued at £27.4 million. The restricted and endowed funds portfolios were valued at £32.0 million and have suffered losses in the year of £3.3 million. A property valued at £1.7 million and previously included in the endowed funds portfolio will be disposed of within the next financial year and is therefore included in current assets.

The general funds investment objective is to maximise total returns after generating income of £0.8 million. The common investment and other funds investment strategy is to provide a yield of 3.8% and thereafter maximise total returns. The investment objectives were met and exceeded for general, common investment and other funds.

Reserves policy

The College's expenditure is more predictable, while its income is of a more variable and uncertain nature. The College therefore considers it necessary to hold reserves. The College's reserves policy is to hold reserves in the form of 'Capital designated funds' to provide a continuous flow of income to help support the cost of charitable activities. The balance of this fund approximates one year's operational expenditure. The balance of the College's designated funds is represented by tangible fixed assets that are not readily converted into cash. Working reserves are held for operational purposes. The College considers that its reserves are at an appropriate level and will continue to review its reserves.

Resources

The overall decrease in resources during the year was approximately £4.9 million, which when amalgamated with existing funds results in a net worth of £74.3 million. Of this, £28.8 million represents endowed funds assets, where only the income, not the capital, can be spent on purposes specified by the donors, while a further £12.6 million is restricted in how it can be used as it consists of project grants and trust balances.

The unrestricted funds of £32.9 million include designated funds of £7.0 million equating to the fixed assets used by the College in its activities, a capital fund of £22.0 million, which is invested to produce income to support the College's charitable activities, and working reserves for the College and its two dental faculties of £3.9 million.

The Consolidated Balance Sheet (page **50**) outlines the main asset and liability categories aggregating to the net worth of the College, while the Consolidated Cashflow Statement (page **51**) tabulates the impact of operating and investment activities on cash and bank resources.

The College's financial position has suffered this year due in the most part to the turbulent economic environment, which it cannot control. There is some uncertainty in the short to medium term. It is therefore imperative that professional and prudent management of controllable resources continues so that the College can be in a position to react positively to future challenges.

Custodian trustee

The College acts as custodian trustee for the Sir Ratanji Dalal Research Scholarship Fund (research scholarship in tropical surgery or medicine) and the Lionel Colledge Memorial Fellowship Trust (awards travelling fellowships to surgeons). Their financial statements are audited by Deloitte & Touche LLP. Both these funds hold investments in their own name and have their own bank accounts, entirely segregated from those of the College.

At 22 September 2007 the value of the Sir Ratanji Dalal Research Scholarship Fund endowed fund was £728,677 (2006 – £666,517) and its restricted fund was £60,432 (2006 – £36,723). The trustees of this fund are the president of The Royal College of Surgeons of England and the president of The Royal College of Physicians, who are jointly responsible for the safeguarding of its assets. Annual financial statements are prepared and presented to the trustees of this fund.

At 24 June 2008 the value of the Lionel Colledge Memorial Fellowship trust endowed fund was £307,535 (2007 – £336,487) and its restricted fund was £16,433 (2007 – £18,661). The trustees of this fund are Miss MC Colledge and The Royal College of Surgeons of England, who are jointly responsible for the safeguarding of its assets. Annual financial statements are prepared and presented to the trustees of this fund.

Signed on behalf of the Elected Members of Council

Mr J Black President
Professor AAP Narula Treasurer
13 November 2008

Independent Auditors' Report

TO THE TRUSTEES OF THE ROYAL COLLEGE OF SURGEONS OF ENGLAND

We have audited the group and parent charity financial statements of the Royal College of Surgeons for the year ended 24 June 2008, which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that act. Our audit work has been undertaken so that we might state to the charity's trustees 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

The trustees' responsibilities for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees' responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the annual report as described in the contents section. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the annual report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to give reasonable

assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity orerror. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the group and the parent charity's affairs as at 24 June 2008 and of the group's incoming resources and application of resources in the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 1993.

Deloitte LLP
Chartered Accountants and Registered Auditors
London
17 December 2008

On 1 December 2008 the Company's auditors changed their name from Deloitte & Touche LLP to Deloitte LLP. Accordingly, they have signed the report in their new name.

Consolidated Statement of Financial Activities FOR THE YEAR ENDED 24 JUNE 2008

	Notes	Unrestricted funds £000s	Restricted funds £000s	Endowed funds £000s	Totals 2008 £000s	Totals 2007 £000s
Incoming resources						
Voluntary income:						
Donations and gifts		42	3,203	–	3,245	2,519
Legacies		661	277	–	938	2,557
Grants		–	2,453	–	2,453	2,316
Activities for generating funds:						
Residential, conference and other		2,836	–	–	2,836	2,867
Investment income		1,550	1,501	–	3,051	2,525
Activities in furtherance of charity objectives:						
Courses		4,583	–	–	4,583	3,959
Examinations		3,113	–	–	3,113	2,930
Subscriptions		3,636	–	–	3,636	3,414
Rents, charges, sales		1,014	1,637	–	2,651	2,058
Total incoming resources	15	**17,435**	**9,071**	**–**	**26,506**	**25,145**
Resources expended	2					
Cost of generating funds:						
Fundraising costs for raising voluntary income		318	–	–	318	301
Investment management costs		71	89	112	272	278
Residential, conference and other trading costs		2,471	–	–	2,471	2,501
		2,860	**89**	**112**	**3,061**	**3,080**
Charitable expenditure:						
Education and courses		5,274	1,226	–	6,500	5,631
Standards, regulation and examinations		4,998	1,373	–	6,371	6,254
Research grants	3	26	2,188	–	2,214	2,041
Clinical effectiveness unit and other projects		15	1,404	–	1,419	1,239
Museums and library		1,295	590	–	1,885	1,871
Communications and publications		1,447	77	–	1,524	1,813
Other professional activities		1,913	95	–	2,008	1,754
		14,968	6,953	–	21,921	20,603
Governance		677	–	–	677	614
Total resources expended	15	**18,505**	**7,042**	**112**	**25,659**	**24,297**

	Notes	Unrestricted funds £000s	Restricted funds £000s	Endowed funds £000s	Totals 2008 £000s	Totals 2007 £000s
Changes in resources before transfers		**(1,070)**	**2,029**	**(112)**	**847**	**848**
Transfer between endowed and restricted funds	10	–	(79)	79	–	–
Changes in resources before other recognised gains and losses		**(1,070)**	**1,950**	**(33)**	**847**	**848**
Net (loss)/gain on investments	9	(2,486)	(80)	(3,194)	(5,760)	8,797
Net movement in resources in the year		(3,556)	1,870	(3,227)	(4,913)	9,645
Brought forward 25 June 2007,		36,497	10,734	31,983	79,214	69,569
Balance carried forward 24 June 2008		**32,941**	**12,605**	**28,756**	**74,302**	**79,214**

All activities are continuing activities. The notes to the financial statements are on pages **52** to **68**.

See note 15 on pages **67** and **68** for a full analysis of resources arising and used by department.

Consolidated Balance Sheet

AS AT 24 JUNE 2008

	Notes	Unrestricted funds £000s	Restricted funds £000s	Endowed funds £000s	Totals 2008 £000s	Totals 2007 £000s
Fixed assets						
Tangible fixed assets	5	7,013	6,353	–	13,366	11,552
Investments	9	27,433	3,309	26,978	57,720	65,175
		34,446	**9,662**	**26,678**	**71,086**	**76,727**
Current assets						
Stock		110	–	–	110	173
Short-term Investments	9	–	–	1,700	1,700	–
Debtors	6	3,147	317	–	3,464	2,365
Cash and short-term deposits	7	3,661	2,625	79	6,365	6,707
		6,918	**2,942**	**1,779**	**11,639**	**10,945**
Current liabilities						
Creditors: amounts falling due within one year	8	(7,663)	–	–	(7,663)	(6,299)
Net current (liabilities)/assets		**(745)**	**2,942**	**1,779**	**3,976**	**2,946**
Long-term liabilities						
Creditors: amounts falling due after more than one year	8	(760)	–	–	(760)	(459)
Net assets		**32,941**	**12,604**	**28,757**	**74,302**	**79,214**
Funds						
Permanent endowment and other restricted funds	10	–	12,604	28,757	41,361	42,717
Unrestricted funds:	11					
Designated funds		29,013	–	–	29,013	33,714
Working reserves		3,928	–	–	3,928	2,783
		32,941	**12,604**	**28,757**	**74,302**	**79,214**

The parent charity only Balance Sheet is identical to the Consolidated Balance Sheet presented above except that debtors and creditors amounts falling due within one year, and subtotals for current assets and current liabilities are higher by £203,000 (2007 – £226,000).

Approved on behalf of the elected members of Council on 13 November 2008.

Mr J Black President
Professor AAP Narula Treasurer

Consolidated Cashflow Statement

FOR THE YEAR ENDED 24 JUNE 2008

	Unrestricted funds £000s	Restricted funds £000s	Endowed funds £000s	Totals 2008 £000s	Totals 2007 £000s
Net cash inflow/(outflow) from operating activities	691	2,410	(112)	2,989	3,241
Net cash (outflow)/inflow from capital expenditure and financial investment	(1,394)	(2,410)	167	(3,331)	(2,397)
	(703)	306	55	(342)	844
Management of liquid resources	239	6	–	245	458
(Decrease)/increase in cash in year	**(464)**	**312**	**55**	**(97)**	**1,302**
Reconciliation of change in resources to net inflow from operating activities					
Net incoming/(outgoing) resources before revaluations	(1,070)	2,029	(112)	847	848
Depreciation	892	431	–	1,323	1,113
Loss on disposal of fixed assets	3	–	–	3	5
Decrease/(increase) in stocks	63	–	–	63	(10)
(Increase)/decrease in debtors	(1,051)	(50)	–	(1,101)	642
Increase in creditors	1,665	–	–	1,665	643
Net cash inflow/(outflow) from operating activities	**502**	**2,410**	**(112)**	**2,800**	**3,241**
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets	(1,193)	(1,947)	–	(3,140)	(3,062)
Receipts from sales of fixed assets	–	–	–	–	–
Purchase of investments	(6,185)	(818)	(6,290)	(13,293)	(14,728)
Receipts from sales of investments	6,685	228	6,378	13,291	15,393
Transfer between funds	–	(79)	79	–	–
Change in amounts due between funds	(512)	512	–	–	–
Net cash (outflow)/inflow from capital expenditure and financial investment	**(1,205)**	**(2,104)**	**167**	**(3,142)**	**(2,397)**
Management of liquid resources					
Decrease in short-term deposits	**(239)**	**(6)**	**–**	**(245)**	**(458)**
Reconciliation of net cash flow to movements in net funds					
(Decrease)/increase in cash in year	(464)	312	55	(97)	1,302
Decrease in short-term deposits in year	(239)	(6)	–	(245)	(458)
Movement in net funds in year	(703)	305	55	(342)	844
Net funds at 24 June 2007	4,364	2,319	24	6,707	5,863
Net funds at 24 June 2008	**3,661**	**2,625**	**79**	**6,365**	**6,707**

Notes to the Financial Statements

FOR THE YEAR ENDED 24 JUNE 2008

1 Accounting policies

(a) Unless otherwise stated, the financial statements have been prepared under the historical cost convention with the exception of investments that are included at their revalued amounts, in accordance with applicable accounting standards and the best practice principles of the *Accounting and Reporting by Charities: Statement of Recommended Practice 2005* (SORP 2005). All activities derive from the continuing business of the College.

(b) **Incoming resources** are included in the financial statements as follows: donations, gifts and legacies when they are capable of measurement and become receivable, grants receivable as they become due, tuition and examination fees in the period to which they relate, less provisions for doubtful debts, subscriptions on an accrual basis, and investment income as it becomes due and receivable and is stated together with any relevant tax credit.

(c) **Grants payable** are charged to the financial statements for the full period of each award on the commencement of the fellowship or project, except for performance-related grants, which are charged to the financial statements as each instalment falls due.

(d) **Voluntary services** donated by Council members and other fellows are not accounted for as it would not be possible to place a value on them.

(e) **Resources expended.** The cost headings comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of the resources. Overheads relating to the building and all its services are charged to departments and faculties based on the area occupied. Those relating to finance, information technology and personnel costs are charged to departments on the basis of their financial activity, level of computer support and numbers of employees, respectively. These are detailed in note 2. All overheads in relation to grant-funded projects are charged, where appropriate, on the basis of their activity. The utilised income, direct expenditure and allocated costs of the different activities are shown in note 15.

(f) **Fundraising costs** comprise the costs incurred in inducing others to make voluntary contributions to the College and its various activities.

(g) **Tangible fixed assets** are capitalised where the amount expended is material and the College obtains long-term benefit from the expenditure. Heritage assets, which include museum collections and works of art, have not been capitalised as the cost of valuation would be disproportionate to the benefit of the resultant information. These mainly comprise the numerous specimens and artefacts collected by John Hunter in the 1700s and presented to the College in 1799, plus historic books related to surgery and medicine, and other items of artwork and silver relating to the history of surgery or commemorating events in the College's history. Freehold land and buildings are shown in the Balance Sheet at historic cost. Capital projects that are not complete at the year end are shown as construction in progress.

(h) **Depreciation** is charged from the date assets are acquired so as to write them off over their expected useful lives at the following annual rates:

Freehold land	nil	Furniture, fittings and vehicles	25%
Freehold buildings	nil	Computer equipment	25%
Plant and refurbishment	10%		

Freehold buildings are not depreciated as the College has a policy of maintaining them in such a condition that their value, taken as a whole, is not impaired by the passage of time. The Council is of the opinion that any provision for depreciation would not be material and that the buildings are worth at least their book value. No depreciation is charged on construction in progress expenditure.

(i) **Investments** are included at market value. It is the College's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result, the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are together treated as changes in the value of the investment portfolio throughout the year. The activities of the Common Investment Fund, a subsidiary charity of the College that acts as an investment pool for most of the College's trust funds' assets, are incorporated in these financial statements.

(j) **Stock** mainly represents manuals purchased or printed for future courses. It is valued at the lower of cost and realisable value.

(k) **Retirement** pensions and related benefits are charged to the Statement of Financial Activities over the period benefiting from the employee's services unless it is considered prudent to recognise deficiencies and provide for variations from regular cost over a shorter period.

(l) **Unrestricted funds** are available for use at the discretion of the College Council in furtherance of the general charitable objectives of the College.

(m) **Reserve policy** is to maintain sufficient resources to allow the College to pursue its charitable activities over the long term.

(n) **Designated funds** arise from the policy of designating those of its unrestricted funds that are not available for general activities. Those represented by fixed assets cannot be utilised unless the assets were to be realised. The reserves placed in the designated capital are required to produce income in future years to fund the core activities of the College.

(o) **Endowed and restricted funds** are gifts or other grants that can only be applied for a purpose specified by the donor or grantor. All the endowed funds are permanent endowments where the donor has specified that the capital of the gift cannot be expended and that only the income arising from the capital may be used for the purpose named by the donor. None of these funds are available to meet the general costs of the College. From 2004–2005 investment management charges are now charged to the capital of the endowed funds rather than on the income arising in the restricted funds, where relevant.

Notes to the Financial Statements

FOR THE YEAR ENDED 24 JUNE 2008

(p) Custodian trustee funds are managed by the College on behalf of other charities and are not included in the financial statements.

(q) The College is a registered charity and as such is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.

(r) Hunter Trading Limited. The consolidated accounts include the activities, assets and liabilities of the College's fully owned subsidiary, Hunter Trading Limited. Were a Balance Sheet to be prepared excluding Hunter Trading Limited, both debtors and creditors would increase by £203,000 (2007 – £226,000).

2 Reallocated support costs

	Direct costs £000s	Grants made £000s	Allocated support costs £000s	Total 2008 £000s	Total 2007 £000s
Cost of generating funds					
Fundraising costs	270	–	48	318	301
Investment management fees	272	–	–	272	278
Residential, conference and other	1,471	–	1,000	2,471	2,501
	2,013	–	1,048	3,061	3,080
Charitable expenditure					
Education and courses	5,832	–	668	6,500	5,631
Standards, regulation and examinations	5,539	–	832	6,371	2,041
Research grants	205	2,000	9	2,214	2,041
Clinical effectiveness unit and other projects	1,223	–	196	1,419	1,239
Museums and library	1,272	–	613	1,885	1,871
Communications and publications	1,370	–	154	1,524	1,813
Other professional activities	1,433	–	575	2,008	1,754
	16,874	2,000	3,047	21,921	20,603
Governance	613	–	64	677	614
Total	**19,500**	**2,000**	**4,159**	**25,659**	**24,297**

Support costs and basis of allocation

Premises and utilities	Floor area occupied	2,250	2,252
Human resources services	Number of staff employed	447	483
Finance services	Budgeted expenditure	577	548
IT and systems support	Equipment and support provided	885	775
		4,159	**4,058**

3 Research grants (excluding support costs)

Purpose of grant	2008 Number awarded	2008 Total amount £000s	2007 Number awarded	2007 Restated total amount £000s
Research fellowships:				
Liabilities at start of year		(1,044)		(491)
Paid in year		2,252		1,215
Liabilities at end of year		675		1,044
Charge for year	45	1,883	25	1,768
Other research projects:				
Liabilities at start of year		(411)		(451)
Paid in year		126		148
Liabilities at end of year		360		411
Charge for year	3	75	3	108
Scholarships	5	5	11	10
Travel	20	38	15	22
	73	**2,001**	**54**	**1,908**
Administration of research fellowships and other research projects		204		133
Research expenditure shown on Statement of Financial Activities		**2,205**		**2,041**

Grants payable are charged to the financial statements for the full period of each award on the commencement of the fellowship or project, except for performance-related grants, which are charged to the financial statements as each instalment falls due. The future emoluments of the Rank Chair Professor of Physics in Surgery are now accounted for on a commitment basis.

Further details of the research fellowships awarded and other research projects are available in the research report, published biennially.

Financial details of the individual grants made are available from the finance department of The Royal College of Surgeons of England.

During the year, grants of £381,000 (2007 – £575,000) were awarded for individuals at institutions with which members of Council are connected. These members of Council did not participate in the decisions to award the respective grants.

Notes to the Financial Statements

FOR THE YEAR ENDED 24 JUNE 2008 (continued)

4 Staff and other expenditure

	2008	2007
Number of staff employed by the College at 24 June	289	309
	£000s	£000s
Staff costs in year to 24 June 2008		
Gross pay	8,913	8,655
Employer's statutory contributions	778	768
Employer's pension contributions	875	817
Total staff costs	**10,566**	**10,240**

At 24 June 2008 the number of employees receiving salaries in the following bands was as follows:

£60,000 to £70,000	5	5
£70,000 to £80,000	4	5
£80,000 to £90,000	2	1
£90,000 to £100,000	–	–
£100,000 to £110,000	1	2
£110,000 to £120,000	1	–

12 (2007 – 12) of these employees are members of the USS pension scheme, while 1 (2007 – 1) is a member of the NHS pension scheme.

	£000s	£000s
Depreciation charged in the financial statements totals	1,323	1,113
Included in governance costs are:		
Auditors' remuneration – audit fees –		
The Royal College of Surgeons of England	37	38
Auditors' remuneration – audit fees – Hunter Trading Ltd	3	3

5 Tangible fixed assets

	Freehold properties	Furniture, fittings and vehicles	Plant and refurbishment	Computer equipment	Construction in progress	Totals
	£000s	£000s	£000s	£000s	£000s	£000s
Cost						
Balance 25 June 2007	3,354	720	13,097	1,178	3,060	21,949
Reclassification of assets	–	–	189	–	(189)	–
Disposals	–	(134)	(31)	(120)	–	(285)
Additions	–	107	327	284	2,611	3,140
Balance 24 June 2008	**3,354**	**693**	**13,393**	**1,882**	**5,482**	**24,804**
Accumulated depreciation						
Balance 25 June 2007	–	665	8,490	1,242	–	10,397
Disposals	–	(134)	(28)	(120)	–	(282)
Charge for year	–	46	1,068	209	–	1,323
Balance 24 June 2008	**–**	**557**	**9,530**	**1,331**	**–**	**11,438**
Net book values at 24 June 2008	**3,354**	**116**	**3,863**	**551**	**5,482**	**13,366**
at 24 June 2007	3,354	55	4,607	476	3,060	11,552

	Unrestricted funds	Restricted funds	Endowed funds	Totals 2008	Totals 2007
	£000s	£000s	£000s	£000s	£000s
6 Debtors					
Taxation recoverable	14	1	–	15	13
Other debtors	3,013	316	–	3,329	2,174
Pre-payments	120	–	–	120	178
	3,147	**317**	**–**	**3,464**	**2,365**
7 Cash and short-term deposits					
Cash in hand	18	–	–	18	17
Current and instant access accounts	1,840	2,623	79	4,542	4,640
Short-term deposit accounts	1,803	2	–	1,805	2,050
	3,661	**2,625**	**79**	**6,365**	**6,707**

Notes to the Financial Statements

FOR THE YEAR ENDED 24 JUNE 2008 (continued)

	Unrestricted funds £000s	Restricted funds £000s	Endowed funds £000s	Totals 2008 £000s	Totals 2007 £000s
8 Creditors					
Amounts falling due within one year:					
Other creditors	4,232	–	–	4,232	375
Taxation and social security	285	–	–	285	350
Deferred income	3,146	–	–	3,146	2,574
	7,663	**–**	**–**	**7,663**	**6,299**
Amounts falling due after more than one year:					
Other creditors	760	–	–	760	459
	760	–	–	**760**	**459**

Deferred income at 24 June 2007, which related mainly to tuition and examination fees received in advance, was released during the year to incoming resources. Deferred income at 24 June 2007 was released to incoming resources during the financial year ended 24 June 2008.

	Unrestricted funds	Restricted funds	Endowed funds	Totals 2008	Totals 2007
	£000s	£000s	£000s	£000s	£000s
9 Investments					
Quoted securities at market value	26,174	1,529	25,949	53,652	58,198
Deposits with Newton Investment Management	1,353	36	1,029	2,418	3,127
Investment properties at market value	1,650	–	–	1,650	3,850
Transfer of investments between funds	(1,744)	1,744	–	–	–
Market value	**27,433**	**3,309**	**26,978**	**57,720**	**65,175**
Movement in year					
Market value at 24 June 2007	29,907	3,309	31,959	65,175	57,043
Additions at cost	6,185	817	6,290	13,292	14,728
Disposals at sale price	(6,685)	(225)	(6,377)	(13,287)	(15,393)
Property to be sold in	–	–	(1,700)	(1,700)	–
Change in transfer of investments between funds	512	(512)	–	–	–
Net (loss)/gain on investments in year	(2,486)	(80)	(3,194)	(5,760)	8,797
Market value at 24 June 2008	**27,433**	**3,309**	**28,678**	**57,720**	**65,175**
Cost price at 24 June 2008	23,113	826	23,627	47,566	47,663
Unrealised gain at 24 June 2008	4,230	2,484	5,050	11,854	17,512
Unrealised gain at 24 June 2007	8,688	236	8,588	17,512	12,312
Realised gains/(losses) on historic cost in year	**545**	**12**	**347**	**904**	**3,967**

At the year end, the market value of UK investments was £48,364,000 (2007 – £56,078,000) and overseas investments was £11,056,000 (2007 – £9,097,000). Investment property is valued at market value based on income yields. In anticipation of a sale in 2008–2009, the endowed property has been revalued based on expected sale price and transferred to current assets.

As detailed in note 1(i), the Common Investment Fund is incorporated into these financial statements.

Investment in subsidiaries:
Hunter Trading Limited – The College holds the entire issued £1 share capital of Hunter Trading Limited, which markets those conference and residential facilities not required for the College's own use.

The results and financial position of Hunter Trading Limited have been consolidated in these financial statements on a line-by-line basis. Its income for the year was £1,878,000 (2007 – £1,948,000), its expenditure was £1,675,000 (2007 – £1,722,000) and the profit before tax of £203,000 (2007 – £226,000) has been transferred to the College under a profit-shedding covenant. The net assets of Hunter Trading Limited were £1 (2007 – £1).

Notes to the Financial Statements

FOR THE YEAR ENDED 24 JUNE 2008 (continued)

10 Permanent endowment and other restricted funds

	Permanent endowment funds				Other restricted funds			
	Balance 2007	Increases	Decreases	Balance 2008	Balance 2007	Increases	Decreases	Balance 2008
	£	£	£	£	£	£	£	£
Dental Science Research Fund	2,357,608	–	222,065	2,135,543	299,737	168,328	3,000	465,065
Rank Chair of Physics in Surgery	2,242,050	–	211,181	2,030,869	(367,681)	97,436	39,337	(299,582)
RCSE Cancer Research Fund	4,125,091	–	388,547	3,736,544	263,337	185,355	547,065	(98,373)
RCSE Biochemical Research Fund	877,829	–	82,683	795,146	176,738	47,804	1,500	223,042
Darlow Research Fellowship	112,414	–	10,589	101,825	29,908	6,509	350	36,067
RCSE Research Fund	8,574,714	–	807,661	7,767,053	764,554	541,805	1,033,857	272,501
RCSE Education Fund	6,406,027	–	896,172	5,509,855	139,242	188,161	159,642	167,762
RCSE Museums Fund	16,619	–	1,565	15,054	107,632	5,539	12,477	100,694
Groves Bequest for Museum	489,104	–	46,069	443,035	1,446	21,217	17,500	5,163
MacRae Webb-Johnson for Hunterian	815,273	24,000	76,791	762,482	328,699	52,355	54,023	327,031
George Qvist Fund for Hunterian	490,392	–	46,191	444,201	–	21,255	17,500	3,755
RCSE Library Fund	1,923,503	–	181,177	1,742,326	–	83,310	71,838	11,471
RCSE Prize Fund	135,637	–	12,776	122,861	123,115	10,423	12,388	121,150
Preiskel Fund	–	–	–	–	–	21,423	2,261	19,162
HS Morton Travelling Fellowship	469,448	–	44,218	425,230	133,948	27,657	1,000	160,605
Sims Commonwealth Travelling Fellowship	147,868	–	13,928	133,940	54,327	9,050	8,869	54,508
Ethicon Travelling Fellowship	–	–	–	–	194,321	8,669	31,414	171,576
RCSE Scholarship Fund	119,745	–	11,279	108,466	55,103	7,541	9,544	53,099
Modi Fund	–	–	–	–	473,043	22,257	93,641	401,659
Rishworth Fund for the *Annals*	117,362	–	11,054	106,308	–	5,092	3,750	1,342
John Kinross Fund	192,331	–	18,116	174,215	89,021	13,141	600	101,562
President's Finch Fund	1,811,625	55,000	170,639	1,695,986	158,336	87,616	120,487	125,465
Blond McIndoe Fund	–	–	–	–	–	617,329	45,850	571,479
Faculty of Dental Surgery:								
Commemoration Fund	155,746	–	16,670	141,076	–	6,745	4,850	1,895
Moser Trust	402,745	–	37,935	364,810	100,044	22,940	1,000	121,984
Faculty of General Dental Practice (UK):								
Research Fund	–	–	–	–	2,468	131	–	2,599
Restricted grants and donations:								
Cutner legacy for orthopaedics	–	–	–	–	403,779	–	53,828	349,951
Guyatt legacy for gastrointestinal diseases	–	–	–	–	312,949	–	84,630	228,319
Core skills materials project	–	–	–	–	112,148	64,664	145,504	31,308
Anatomy project					–	263,172	7,308	255,863
Starrit Research Fellowships	–	–	–	–	227,763	–	100,000	127,763
Hunterian Museum project	–	–	–	–	1,880,264	–	248,000	1,631,364

10 Permanent endowment and other restricted funds (continued)

	Permanent endowment funds				Other restricted funds			
	Balance 2007 £	Increases £	Decreases £	Balance 2008 £	Balance 2007 £	Increases £	Decreases £	Balance 2008 £
Davies-Colley lecture room project	–	–	–	–	169,806	–	23,973	145,833
Finch Fund refurbishment project	–	–	–	–	101,956	–	11,328	90,628
Eagle Project	–	–	–	–	2,674,100	1,921,449	142,000	4,453,549
Other (individual balances under £100,000)	–	–	–	–	1,642,572	3,919,041	3,476,583	2,166,907
	31,983,131	**79,000**	**3,305,306**	**28,756,825**	**10,734,552**	**8,447,413**	**6,577,797**	**12,604,166**

* The negative balances on funds are caused by providing in full for notified future expenditure and will be funded from future streams of investment income.

The decreases for the endowed funds are represented by investment management charges of £111,721 and a loss in investment market values of £3,193,585.

Transfers

The increases for the endowed funds are represented by the transfer of £24,000 to the MacRae Webb-Johnson endowed fund and £55,000 to the President's Finch Fund.

These transfers were authorised by Charity Commission schemes, as follows:

1. MacRae Webb-Johnson Fund: In 2003–2004 £600,000 was transferred from the MacRae Webb-Johnson's endowed fund to its restricted fund to support the Hunterian Museum project. This sum is to be replaced by income arising on the MacRae Webb-Johnson's restricted fund at the rate of £24,000 a year for 25 years; the fourth transfer of £24,000 was made in 2007–2008.
2. President's Finch Fund: In 2006–2007 £1,100,000 was transferred from the President's Finch endowed fund to its restricted fund to support the Eagle Project. This sum is to be replaced by income arising on the President's Finch restricted fund at the rate of £55,000 a year for 20 years. The first transfer of £55,000 was made during 2007–2008.

Notes to the Financial Statements

FOR THE YEAR ENDED 24 JUNE 2008 (continued)

11 Unrestricted funds

	2008 £000s	2007 £000s
Designated funds		
Represented by tangible fixed assets	7,013	6,714
Eagle refurbishment project	–	1,000
Capital designated as necessary to provide income to support the College's charitable activities		
Brought forward	26,000	24,000
Transfer in year	(4,000)	2,000
	22,000	26,000
Total designated funds	**29,013**	**33,714**
Working reserves - the College and faculties	**3,928**	**2,783**

The basis of maintaining the 'capital' part of the designated funds is to hold sufficient resources to generate a continuous flow of income to help support the cost of charitable activities within an overall strategy of ensuring the long-term financial viability of the College. The decrease of £4 million (2007 – increase of £2 million) derives in part from the decrease in the market value of unrestricted funds investments in the year to provide an amount approximately equivalent to one year's operational expenditure.

Working reserves are funds held for operational purposes of the College and its two dental faculties. Approximately £355,000 (2007 – £305,000) of the available funds is held by the divisions of the Faculty of General Dental Practice (UK).

12 Pension schemes

The College's three schemes are defined benefit schemes but it is not possible to identify the College's share of the underlying assets and liabilities as required by the *Financial Reporting Standard 17 (FRS17): Retirement Benefits* and, accordingly, the College accounts for pension costs in relation to these as if they were defined contribution schemes.

Of the College's 289 employees (2007 – 309), 140 (2007 – 141) are members of the Universities Superannuation Scheme (USS), 47 (2007 – 49) are members of the Superannuation Arrangements of the University of London (SAUL) and 6 (2007 – 5) are members of the NHS Pension Scheme. All three are defined benefit schemes, externally funded and managed by independent trustees. They are contracted out of the State Earnings-Related Pension Scheme.

USS: The latest actuarial valuation of the scheme was at 31 March 2005. The valuation was carried out using the projected unit method. The assumptions that have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie the valuation rate of interest), the rates of increase in salary and pensions, and the assumed rates of mortality. In relation to the past service liabilities, the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5 % per annum, salary increases would be 3.9 % per annum (plus an additional allowance for increases in salaries due to age and promotion, and a further amount of £800m of liabilities to reflect recent experience) and pensions would increase by 2.9 % per annum. In relation to the future service liabilities, it was assumed that the valuation rate of interest would be 6.2 % per annum, including an additional investment return assumption of 1.7 % per annum, salary increases would be 3.9 % per annum (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 2.9 % per annum.

At the valuation date, the value of the assets of the scheme was £21,740 million and the value of the past service liabilities was £28,308 million, indicating a deficit of £6,568 million. The assets therefore were sufficient to cover 77 % of the benefits that had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. Using the minimum funding requirement prescribed assumptions introduced by the Pensions Act 1995, the scheme was 126 % funded at that date; under the Pension Protection Fund regulations introduced by the Pensions Act 2004 it was 110 % funded; on a buy-out basis (ie assuming the scheme had discontinued on the valuation date) the assets would have been approximately 74 % of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, the actuary estimated that the funding level would have been approximately 90 % .

Since 31 March 2005 the funding level of the scheme has undergone considerable volatility. The actuary has estimated that the funding level had increased to 91 % at 31 March 2007 but as at 31 March 2008 it had fallen back to 77 % . This fluctuation in the scheme's funding level is due to a combination of the volatility of the investment returns on the scheme's assets in the

Notes to the Financial Statements

FOR THE YEAR ENDED 24 JUNE 2008 (continued)

12 Pension schemes (continued)

period since 31 March 2008 compared to the returns allowed for in the funding assumptions and also the changing gilt yields, which are used to place a value on the scheme's liabilities. These estimated funding levels at 31 March 2005 adjusted to reflect the fund's actual investment performance and changes in gilt yields (ie the valuation rate of interest). On the FRS17 basis, using the AA bond discount rate of 6 % based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104 %. An estimate of the funding level measured on a buy out was approximately 78 %.

The College contribution rate required for future service benefits alone at the date of the valuation was 14.3 % of pensionable salaries but the trustee company, on the advice of the actuary, decided to maintain the College contribution rate at 14 % of pensionable salaries.

Surpluses or deficits that arise at future valuations may impact on the institution's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Valuation rate of interest	Increase/decrease by 0.5 %	Decrease/Increase by £2.2 billion
Rate of pension increases	Increase/decrease by 0.5 %	Increase/decrease by £1.7 billion
Rate of salary growth	Increase/decrease by 0.5 %	Increase/decrease by £0.5 billion
Rate of mortality	More prudent assumption (mortality used at last actuarial valuation, rated down by a further year)	Increase by £0.8 billion

USS is a 'last man standing' scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (that cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustee believes that over the long term, equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a bias towards equities through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee has agreed to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide while maintaining a prudent approach to meeting the fund's liabilities. Before deciding to take investment risk relative to the liabilities, the trustee receives advice from its investment consultant and the scheme actuary, and considers the views of the employers. The strong positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities.

12 Pension schemes (continued)

The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

The next formal triennial actuarial valuation is due as at 31 March 2008. The contribution rate will be reviewed as part of each valuation. At the end of September 2008 the report had still not been received.

The level of contribution due by the College in the year was 14%. The College's total pension cost for this scheme in the year to 24 June 2008 was £719,598 (2007 – £685,497).

Valuation method - Project unit	Past service	Future service
Investment return on liabilities		
- before retirement	5.5% pa	6.5% pa
- after retirement	4.5% pa	4.5% pa
Salary growth (excludes promotion increases)	4.15% pa	4.15% pa
Pension increases	2.65% pa	2.65% pa

SAUL: The scheme is subject to triennial valuation by professionally qualified and independent actuaries, the last available valuation being carried out at 31 March 2005, using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The following assumptions were used to assess the past service funding position and future service liabilities:

The actuarial valuation applies to the scheme as a whole and does not identify surpluses or deficits applicable to individual institutions. As a whole, the market value of the scheme's assets was £982 million and the actuarial value of those assets represented 93% of the liability for benefits after allowing for expected future increases in salaries.

Following the two informal funding reviews at 31 March 2004 and 31 March 2003, the trustee of SAUL undertook a significant consultation exercise with institutions and representatives of members regarding the level of contributions payable to SAUL. Following this consultation, the institutions agreed to contribute 13.0% of salaries from August 2006 (previously 10.5% of salaries), an increase of 2.5% of salaries. Member contributions also increased by 1.0% of salaries to 6.0% of salaries with effect from the same date.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS17 revealed the scheme to be broadly balanced at the last formal valuation date (31 March 2005). The next formal actuarial valuation is due at 31 March 2008, when the above rates will be reviewed.

Notes to the Financial Statements

FOR THE YEAR ENDED 24 JUNE 2008 (continued)

12 Pension schemes (continued)

The level of contribution due by the College in the year was 10.5% until 1 August 2006, when it increased to 13%. The College's total pension provision for this scheme in the year to 24 June 2008 was £126,713 (2006 – £125,667).

NHS: The College's total pension cost in respect of the NHS Pension Scheme in the year to 24 June 2008 was £23,307 (2006 – £20,944). The level of contribution due by the College in the year was to 14%.

13 Transactions with trustees

No trustees receive any fees or honoraria.

Members of Council claim travelling, subsistence and accommodation costs in respect of Council or committee meetings or for attending meetings on behalf of the College and the total of such expenses reimbursed to all 26 trustee members of Council in the year was £121,486 (2007 – £89,157 to all 26 trustee members of Council).

14 Legacy income

The major legacies or gifts which have been notified to the College but not included in the financial statements, as they do not meet the income recognition criteria of entitlement, measurement and certainty, are:

		Estimated amount £000s
Notified on or before 24 June 2008		
Purpose:	The main appeal of the College	100
	For medical research and education	296
Notified after 24 June 2008 (to 27 October 2008)		
Purpose:	The main appeal of the College	1
	For medical research and education	–

15 Analysis of resources arising and used by department

	Staff costs 2008 £000s	Other expenses 2008 £000s	Reallocated costs 2008 £000s	Total expenditure 2008 £000s	Total Income 2008 £000s	Net contributions 2008 £000s	Net contributions 2008 £000s
Commonalty of surgeons							
Education and courses	1,474	1,994	751	4,219	3,693	(526)	(549)
Standards, regulation and examinations	1,868	1,255	370	3,493	2,229	(1,264)	(838)
Joint Colleges' Higher Specialist Training	632	127	163	922	680	(242)	(262)
Intercollegiate Surgical Curriculum Programme	321	329	28	678	395	(283)	(321)
Research grants	107	2,003	98	2,208	2,208	–	–
Clinical effectiveness unit and other projects	766	320	260	1,346	1,399	53	(72)
Museums	271	455	322	1,048	405	(643)	(689)
Library	394	187	254	835	220	(615)	(631)
Communications and publications	388	516	(62)	842	130	(712)	(674)
Information systems	590	479	(737)	332	–	(332)	(326)
Subscriptions	146	30	(7)	169	2,395	2,226	2,028
Council, president and secretariat	486	493	182	1,161	96	(1,066)	(1,056)
Fundraising	219	46	43	308	714	406	898
Finance and investments	533	552	(638)	447	1,979	1,532	1,173
Human resources and staff training	159	314	(279)	194	5	(189)	(219)
Facilities	732	1,588	(54)	2,266	2,662	396	357
Building services	326	1,343	(1,504)	165	11	(154)	(115)
Total for the surgeons	**9,412**	**12,031**	**(810)**	**20,633**	**19,221**	**(1,412)**	**(1,296)**

Notes to the Financial Statements

FOR THE YEAR ENDED 24 JUNE 2008 (continued)

15 Analysis of resources arising and used by department (continued)

	Staff costs 2008 £000s	Other expenses 2008 £000s	Reallocated costs 2008 £000s	Total expenditure 2008 £000s	Total Income 2008 £000s	Net contributions 2008 £000s	Net contributions 2008 £000s
Faculty of Dental Surgery							
Education and courses	122	153	62	337	333	(4)	(87)
Standards, regulation and examinations	166	315	76	556	795	239	102
Audit and research projects	17	52	4	73	73	–	–
Subscriptions and other activities	201	208	363	773	718	(55)	45
Total for the FDS	**506**	**728**	**505**	**1,739**	**1,919**	**180**	**60**
Faculty of General Dental Practice (UK)							
Education and courses	348	1,382	64	1,794	1,896	102	185
Examinations	94	319	69	482	648	166	19
Subscriptions and other activities	206	333	170	709	553	(156)	(85)
Divisions	–	185	–	185	235	50	(5)
Total for the Faculty	**648**	**2,219**	**303**	**3,170**	**3,332**	**162**	**114**
Totals for the College	**10,566**	**14,978**	**(2)**	**25,542**	**24,472**	**(1,070)**	**(1,122)**
Net movement in restricted and permanent endowed funds				117	2,034	1,917	1,970
Totals as page 48 and 49				**25,659**	**26,506**	**847**	**848**

The Statement of Financial Activities on page **48** displays the information in accordance with SORP 2005. Note 15 above displays the same income and expenditure totals by College department and activity, and is based closely on the year end management accounts.

Abbreviations

ARCP	annual review of competence progression
CEU	clinical effectiveness unit
CCT	Certificate of Completion of Training
CESR	Certificate confirming Eligibility for Specialist Registration
DCP	dental care professionals
DGH	district general hospital
DH	Department of Health
DwSI	dentist with a special interest
EWTD	European Working Time Directive
FDS	Faculty of Dental Surgeons
FGDP(UK)	Faculty of General Dental Practice (UK)
GDC	General Dental Council
GDP	general dental practitioners
ISCP	Intercollegiate Surgical Curriculum Programme
ISTC	independent sector treatment centre
JCST	Joint Committee on Surgical Training
MJDF	Membership of the Joint Dental Faculties
MMC	Modernising Medical Careers
MRCS	Membership of the Royal College of Surgeons
NCC–AC	National Collaborating Centre for Acute Care
NICE	National Institute for Health and Clinical Excellence
OSCE	objective structured clinical examination
PLG	Patient Liaison Group
PMETB	Postgraduate Medical Education and Training Board
PROMs	patient-reported outcome measures
RITA	record of in-training assessment
SAC	specialist advisory committee
ST3	Specialty Training year 3
WinS	Women in Surgery

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