



**Royal College of  
Veterinary  
Surgeons  
Annual Report &  
Financial  
Statements 2022**



# Contents

<b>Administrative details</b>	<b>4</b>
<b>Message from the President and the CEO</b>	<b>6</b>
<b>Report to RCVS members</b>	<b>8</b>
<b>Relationship with RCVS Knowledge</b>	<b>12</b>
<b>Overview of 2022</b>	<b>14</b>
<b>Financial management policies</b>	<b>26</b>
<b>Auditor's report</b>	<b>30</b>
<b>Financial statements</b>	<b>33</b>
<b>Notes to the financial statements</b>	<b>36</b>





## Reference and administrative details: Officers and professional advisers

### Council members

#### Elected members

Dr Louise Allum MRCVS  
Linda Belton MRCVS  
Dr Abbie Calow MRCVS  
(From 08.07.22)

Dr Danny Chambers MRCVS  
Dr Niall Connell FRCVS  
Dr Olivia Cook MRCVS  
(From 08.07.22)

Dr Melissa Donald MRCVS  
(President from 08.07.22; Vice-President to 08.07.22)

Dr Joanna Dyer MRCVS  
Dr Tshidi Gardiner MRCVS  
Dr Mandisa Greene MRCVS  
(Vice-President to 08.07.22)

Professor Stephen May FRCVS  
Dr Susan Paterson FRCVS  
(Vice-President from 08.07.22)

Dr Kate Richards MRCVS  
(President to 08.07.22; Vice-President from 08.07.22)

Dr Neil Smith FRCVS  
(To 08.07.22)

Dr Colin Whiting MRCVS  
(To 14.06.22)

William Wilkinson MRCVS  
(From 14.06.22)

#### Appointed lay members

Professor Derek Bray  
Brigadier (retired) J Mark Castle  
Linda Ford  
Claire McLaughlan  
Tim Walker  
Judith Worthington

#### Privy Council – appointed members

Dr Christine Middlemiss MRCVS (Observer)

#### Vet Schools Council – appointed members

Professor Tim Parkin FRCVS  
Professor Chris Proudman FRCVS  
Professor James Wood FRCVS

#### Appointed veterinary nurses

Belinda Andrews-Jones RVN  
Matthew Rendle RVN

### Senior Team (key management personnel)

Lizzie Lockett  
Chief Executive Officer

Angharad Belcher  
Director for Advancement of the Professions

Richard Burley  
Chief Technology Officer (To 21.01.22)

Julie Dugmore  
Director of Veterinary Nursing

Eleanor Ferguson  
Registrar and Director of Legal Services

Lisa Hall  
People Director

Ian Holloway  
Director of Communications

Corrie McCann  
Director of Operations and Deputy Registrar

Linda Prescott-Clements  
Director of Education

Darren Tysoe  
Chief Technology Officer (From 31.01.22)

#### Audit and Risk Committee

Professor Derek Bray  
Dr Tshidi Gardiner  
Ken Gill (To 06.02.23)  
Victor Olowe  
Janice Shardlow

#### Head office

Belgravia House (To 26.03.22)  
62–64 Horseferry Road  
London SW1P 2AF

The Cursitor (From 14.02.22)  
38 Chancery Lane  
London WC2A 1EN

#### Bankers

Lloyds Bank plc  
25 Gresham Street  
London EC2V 7HN

#### Solicitors

Capsticks  
1 St George's Road  
Wimbledon  
London SW19 4DR

#### Auditor

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





# 2022: lifting our eyes back to the horizon

## A message from the President and CEO

**Steadying the ship, righting the trajectory, exiting the turbulence – whatever metaphor (or cliché!) you want to use, 2022 was the year in which, as an organisation, we felt we could finally fix our eyes back onto the horizon and start to think beyond immediate problems popping up in front of us.**

Despite ongoing economic and political difficulties, and of course the impact of the Russian invasion of Ukraine, in 2022 we finally had the opportunity to really push forward with our 'Four Cs' agenda – those being the workstreams on clarity, compassion, courage and confidence. However, it would also be foolish to 'write off' the previous two years (even if looking back on them isn't always pleasant), as we've taken forward plenty of learning and experiences that are having an impact on what and how we deliver for the public and the professions.

While the narrative on pages 14 to 25 will give a full rundown of everything that was achieved in 2022, some highlights include:

- the launch of the RCVS Academy – a free online learning platform to help veterinary surgeons and veterinary nurses to meet their professional responsibilities;
- the publication of a new policy on extra-mural studies (EMS), which aims to address many of the longstanding issues for vet students, schools and placement providers;
- lots of preparatory work on our new guidance on under care and the prescription of POM-Vs (approved in January 2023), including launching the full consultation on proposed new guidance with the professions, as well as working with the polling company YouGov to gather views from members of the public;
- the continued expansion of providers offering our

Certificate in Advanced Veterinary Nursing, offering nurses postgraduate qualifications that support an interesting and varied career path;

- and, finalising the purchase of a new home base for the College, following our move out of Belgravia House early in the year.

These five examples all speak to a strategic vision that is focused on the long term, not just taking a 'sticking plaster' approach to issues confronting the professions, but investing thought, time and money into more sustainable solutions.

Looking to the horizon, in 2023 we will continue to meet the outstanding objectives from the Strategic Plan and also start to think about how we can prepare for its successor, taking into account how the landscape of the sector has changed, what it looks like now, and how we can best respond to the needs of the public and professions in this new hybrid world.

To this end, we will be progressing with the set-up of a Public Advisory Group, which will help us better understand the needs of those who own or keep animals, and how best to communicate with them. We will also be continuing to speak to MPs, Peers, Ministers, devolved governments and stakeholder groups about the importance of the UK government adopting our proposals for new forward-looking and future-proofed legislation, that would finally reflect where the profession is now, and where it wants to be, rather than where it was 60 years ago.

It goes without saying that none of the achievements outlined in this report would be possible were it not for the learned deliberations and decision-making of our Council and committee members, the leadership of the RCVS Senior Team, and the delivery of RCVS staff on both the strategic

# “

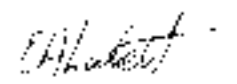
**"In 2023 we will continue to meet the outstanding objectives from the Strategic Plan and also start to think about how we can prepare for its successor"**

ambitions and the all-important day-to-day functions of the College in terms of registration, concerns investigation, digital support, communications and finances. We are also very grateful for the support, constructive challenge and collaboration of our stakeholders.

We do hope you enjoy reading the report. ●



**Melissa Donald**  
President



**Lizzie Lockett**  
CEO



# Report to RCVS members

The RCVS Council presents its report and the audited financial statements of the RCVS for the year ended 31 December 2022. The reference and administrative information set out on page x forms part of this report.

The College has adopted the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP) (FRS 102), to provide a comparable framework with other organisations. The accounts have been prepared in accordance with the SORP, with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

## Structure, governance and management

The RCVS regulates the veterinary profession in the UK in accordance with the Veterinary Surgeons Act 1966 (VSA). It discharges duties and exercises powers under the VSA but was created by, and still exists by virtue of, a Royal Charter of 1844. Most of the original Charter was superseded by the Supplemental Charter of 1967. This revoked the Charter of 1844 except so far as its provisions 'incorporate the College, recognise the veterinary art as a profession, authorise the College to have a Common Seal, to hold property, and to sue and be sued'.

A Supplemental Charter to replace that of 1967 came into operation on 17 February 2015. It does two important things. First, it sets the objects of the College, 'to set, uphold and advance veterinary standards, and to promote, encourage and advance the study and practice of the art and science of veterinary medicine, in the interests of the health and welfare of animals and in the wider public interest'. The Charter gives the College power to 'undertake any activities that seem to it necessary or expedient to help it to achieve its objects' and mentions a number of specific activities.

Second, the Charter recognises veterinary nursing as a profession. It requires the College to continue to keep a list of veterinary nurses, known as the Register of Veterinary Nurses, and gives registered veterinary nurses (RVNs) the formal status of associates of the College. The Veterinary Nurses Council is required to set standards for their education, training and conduct. Bye-laws attached to the Charter require RCVS

Council to make rules dealing with the registration of veterinary nurses and the supervision of their professional conduct.

The bye-laws attached to the Charter supersede all former RCVS bye-laws, but RCVS Council is given power to make rules, protocols and procedures related to its activities under the Charter and the transaction of the business of the College. In November 2014, in preparation for the new Charter coming into operation, RCVS Council made rules and a protocol which preserve some of the content of the former bye-laws.

## RCVS Council

Under our Royal Charter, RCVS Council is responsible for managing the affairs, concerns and property of the College, for example, making decisions on major policy issues, senior staff appointments and the strategic direction of the RCVS. Council has the power to act through and delegate functions to committees, subcommittees or boards, as well as to any of its own number and to the employees and agents of the College.

The VSA determines the composition of RCVS Council. There are 24 members on RCVS Council: 13 elected members (all veterinary surgeons), three members appointed by the Veterinary Schools Council, the body that represents the eight Universities with an RCVS-accredited veterinary degree programme (Bristol, Cambridge, Edinburgh, Glasgow, Liverpool, London, Nottingham, and Surrey), two appointed veterinary nurses, and six appointed lay members. In addition the UK Chief Veterinary Officer is an ex-officio observer.

### The terms and conditions of office are:

- elected Council members serve a term of office of four years, but have a maximum limit of three consecutive terms, with a mandatory two-year break before a person may stand or be appointed again; and,
- Council members must abide by a Code of Conduct for Council and Committee Members and are subject to a complaints process.

More information about the function of RCVS Council and the role of Council members can be found in our 'How we work' statement at [www.rcvs.org.uk/how-we-work](http://www.rcvs.org.uk/how-we-work)

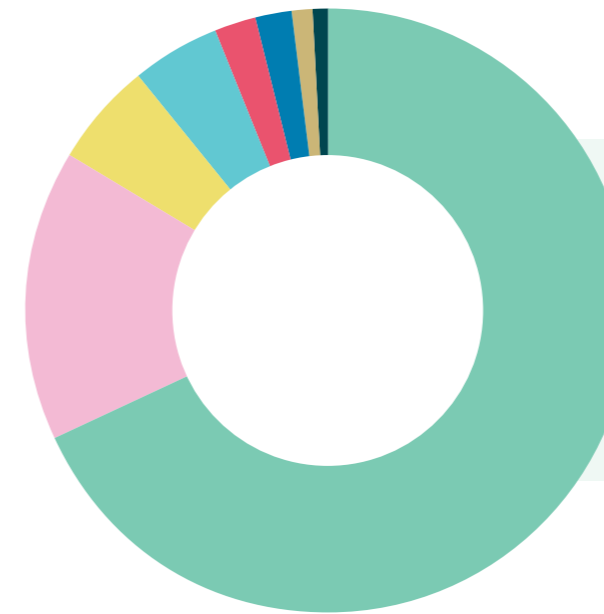


Figure 1: Income 2022

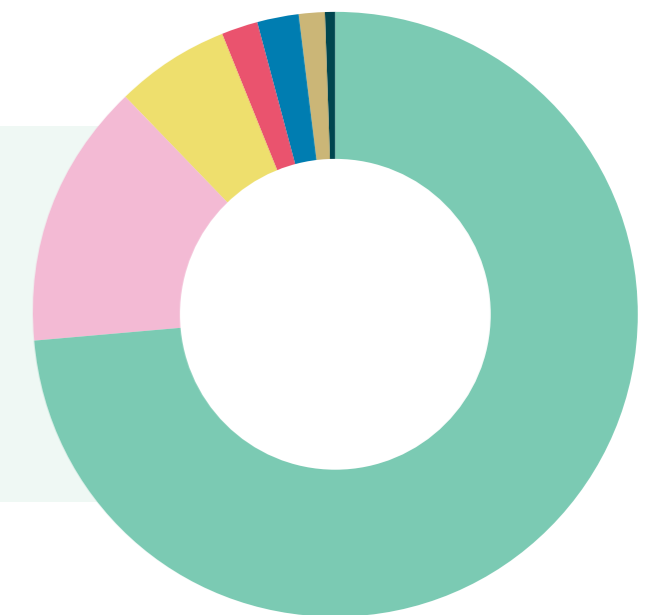
£'000

Veterinary surgeons	11,279
Veterinary nurses	2,567
Practice Standards Scheme	903
Rental income	792
RCVS examinations	359
Investment income	316
Register of Veterinary Practice Premises	212
Publications and other income	93

Figure 2: Income 2021 (excluding gain on disposal of tangible fixed asset)

£'000

Veterinary surgeons	10,970
Veterinary nurses	2,113
Practice Standards Scheme	912
RCVS examinations	292
Investment income	320
Register of Veterinary Practice Premises	223
Publications and other income	53



## Election and induction of Council Members

Every year, the terms of office for three elected members of Council begin at the Annual General Meeting. The election process starts in the preceding year, when the retiring members eligible for re-election, as well as the profession and veterinary press, are notified of the details of how to stand for election to Council. Only veterinary surgeons on the RCVS Register may stand for election.

Voting opens in March for all members of the College (other than those who are resident in the Republic of Ireland, who have not retained their right to vote in Council elections).

Online voting is made available to members via emails sent from Civica Election Services containing unique links to a secure voting website. Since 2021, the voting for the RCVS Council election has been online-only.

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

## RCVS committees

RCVS Council is supported by a system of committees, subcommittees and working parties, on which sit various members of Council and other appointed individuals.

**The statutory and non-statutory disciplinary and investigation committees, and appeals committees are:**

- the Disciplinary Committee (statutory committee);
- the Examination Appeals Committee (appeals committee);
- the Preliminary Investigation Committee (statutory committee);
- the Veterinary Nurses Preliminary Investigation Committee;
- the Veterinary Nurses Disciplinary Committee; and,
- the Specialist and Advanced Practitioner Appeals Committee (appeals committee).

#### The standing committees are:

- the Advancement of the Professions Committee;
- the Audit and Risk Committee;
- the Education Committee;
- the Finance and Resources Committee;
- the Registration Committee;
- the Preliminary Investigation Committee and Disciplinary Committee Liaison Committee;
- the Standards Committee; and,
- the Veterinary Nurses Council.

Standing committees report to Council and shall be constituted and work within their terms of reference. Their Chairs are elected by Council unless the Chair is role-based (eg Treasurer for Finance and Resources Committee), and with the exception of VN Council, which elects its own Chair. Committees select their own Vice-Chairs, unless otherwise specified.

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

The committees may appoint one or more subcommittees or working parties for such general or special purpose as they may think fit, subject to the approval of the Finance and Resources Committee and/or Council, and, subject to any contrary direction from the Council, may on behalf of the Council delegate to such subcommittees power to act in the name of the College and the Council in relation to the matters set out in their terms of reference.

Veterinary Nurses Council differs from the other standing committees in that it has annual elections whereby the veterinary nursing profession directly elects candidates on to VN Council to serve three-year terms. VN Council itself has overall responsibility for all matters concerning veterinary nurse training, post-qualification awards and the registration of qualified veterinary nurses.

Details about the roles and terms of reference for each committee can be found on the RCVS website at [www.rcvs.org.uk/committees](http://www.rcvs.org.uk/committees).

#### Senior Team (key management personnel)

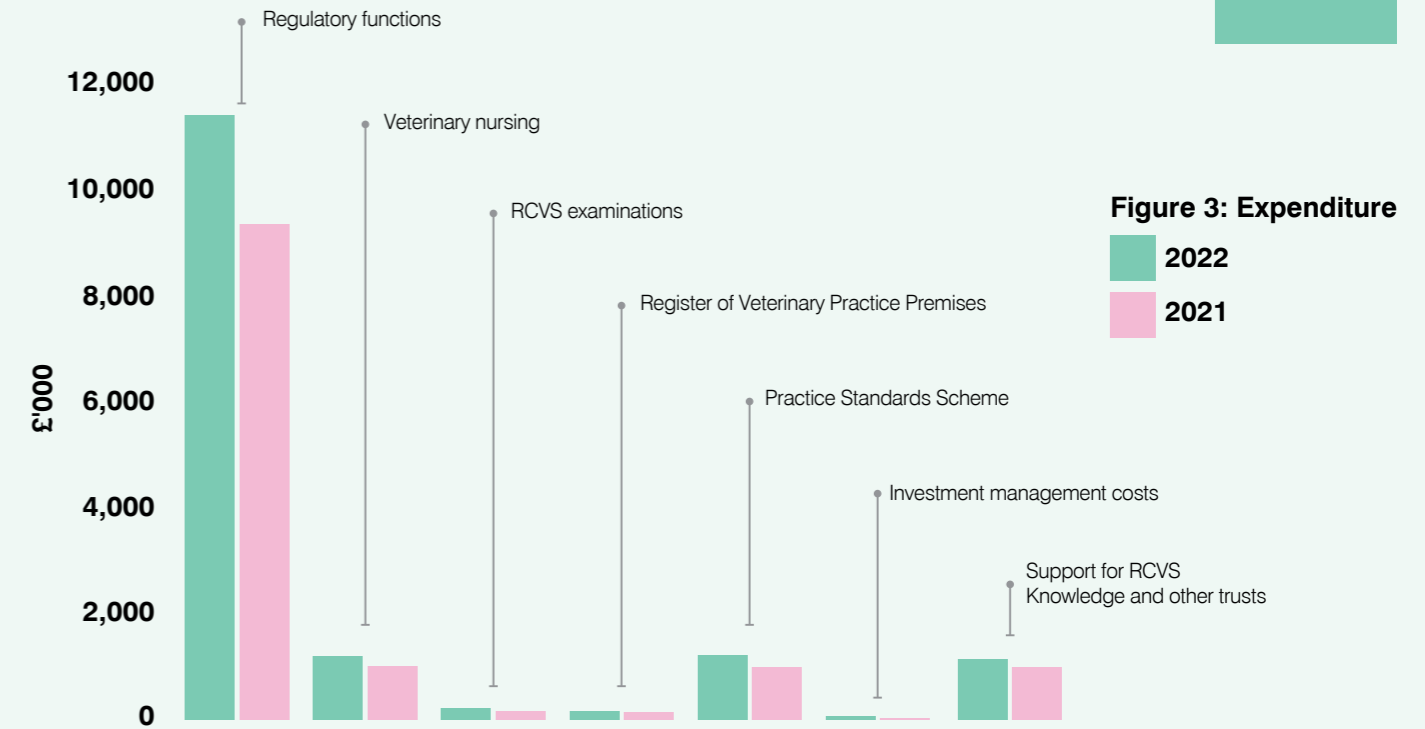
The purpose of the Senior Team is to enable Council to set the strategic direction and oversee governance of the RCVS, and to enable the College staff team to deliver on its remit and strategic objectives.

The Senior Team comprises the RCVS Departmental Directors and is led by the CEO, who takes responsibility for delivery of the RCVS Strategic Plan, as agreed by Council, and the day-to-day running of the College.

The CEO chairs regular meetings of the Senior Team, and the Executive Director of RCVS Knowledge is invited to sit as observer.

#### The key responsibilities of the Senior Team are as follows:

- Support and advise the Officers (President, Vice-Presidents and Treasurer), Council and committee members in the development and delivery of the Strategic Plan;
- Ensure delivery of the Strategic Plan and keep Council regularly updated on progress against time, budget and intended impact;
- Enable understanding of the RCVS purpose and Strategic Plan throughout the organisation and to ensure continual, coherent and consistent communication;
- Create an environment in which our people can deliver, learn and thrive;
- Ensure the effective and efficient day-to-day direction and management of the organisation in line with key functions as a Royal College and regulator;
- Propose and manage the College budget ensuring the most effective use of resources;
- Recommend Key Performance Indicators and service standards, and review activities against these, making adjustments to procedures and resources as applicable in association with the relevant Committee Chairs;
- Utilise the collective wisdom and expertise of the Senior Team and wider organisation by collaborating to exploit synergies and advance our organisational priorities;
- Ensure appropriate mitigations against risk, keeping the organisational and departmental Risk Registers up-to-date and report regularly to the Audit and Risk Committee;



- Horizon-scan for opportunities and threats, building networks to understand, for example, research and best practice from other similar organisations both at home and overseas, and act on this information appropriately; and,
- Identify and consider issues and activities for communication to the wider organisation, professions and public.

Details about the Senior Team members can be found on page 4.

The Chief Executive Officer and Registrar/Assistant Registrars are appointed by Council, while the other Senior Team members are appointed by the Chief Executive Officer.

#### Financial review

For the 2022 Annual Report, all financial information is presented in round thousands to increase readability, in line with standard practice.

Total income for the year was £16.5m per SOFA page (2021 - £26.9m). Income in 2022 is 38% lower than in 2021, which included exceptional income of £12m from the gain on the sale of the Head office, Belgravia House. In 2022 income includes £792k in rental payments which is a new source of income derived from the purchase of a new property which currently has tenants. Excluding the exceptional gain and rental income, comparative income for 2022 is 6% higher than in 2021 due to the growth in the retention of both veterinary surgeons and veterinary nurses.

Expenditure in 2022, excluding corporation tax payable, has increased by 20% as anticipated, reflecting inflationary rises, additional overheads relating to the new property, and increased activity within RCVS examinations, regulatory functions and the Practice Standards Scheme. Total expenditure, excluding tax payable, was £14.9m (2021 - £15.2m).

As above, in January 2022, the RCVS completed the purchase of a new building at 1-2 Hardwick Street, Clerkenwell, London. The property was purchased with tenants in situ and has been tenanted throughout 2022. It has been purchased to provide for a new Head Office for the RCVS and is being held in the financial statements as a tangible fixed asset.

In 2022 there were losses on investments of £2.0m (2021 – gains of £1.2m). The value of investments can rise and fall and the College holds all investments for the long term.

Further information is included under 'Investment powers and performance' on page 28.

#### Public benefit statement

As a regulator, the RCVS sets, upholds and advances veterinary standards. As a Royal College, it promotes, encourages and advances the study and practice of the art and science of veterinary surgery and medicine. The RCVS does all these things in the interests of animal health and welfare, and in the wider public interest. In so doing, the RCVS considers itself to be a public benefit entity. ●



# The relationship with RCVS Knowledge



Watercolours by Edward Mayhew that were used to create woodcut engravings for use in his 1860 publication 'The Illustrated Horse Doctor' from RCVS Knowledge's Historical Collections.

Founded by the RCVS in 1958, the RCVS Charitable Trust (known since 2013 as RCVS Knowledge), is an independent charity that enjoys a close relationship with the College, which is its major funder and provides a range of services to it, including use of College premises.

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

The relationship continues to be kept under review and the contents of the Memorandum are reviewed periodically, last in May 2022. Joint meetings are held between the RCVS and RCVS Knowledge to consider items of mutual interest.

RCVS Knowledge is an independent charity sitting at the heart of veterinary professions, to help advance the quality of care for the benefit of animals, the public and society. They meet their goals, by working with you. The charity support and collaborate with veterinary teams on the ground and in practice, influence policy, and engage educators and other organisations.

To do this, they translate and disseminate the latest research from across the globe. They foster approaches to shared learning with training and tools. All underpinned by their veterinary archive that logs and tracks our evolving profession.

RCVS Knowledge has 10 Trustees, of whom three are RCVS Council members and seven are external trustees. Transactions with RCVS Knowledge are shown in Notes 6 and 17 in the Financial Statements. ●



Winners of the 2022 Veterinary Evidence Student Awards - Sarah Daphne Foo, Maxim Bembinov and Narakhanti Soenardi.



Georgia Owen, National FAVS President, BVM3 Royal Veterinary College and RCVS Knowledge Farm Vet Champion



In a For the Record podcast, Lacey Pitcher, Emily Craven, Daniel Denness and Kirstie Pickles discussed their experiences with neurodiversity in the veterinary professions.





## Overview of 2022

As part of the annual reporting process, this overview is designed to demonstrate how we have, throughout 2022, delivered on our five-year (2020-24) Strategic Plan, with reference to the actions under its four key ambitions.

2022 started with many ongoing challenges, such as the impact of the pandemic and Brexit, and went on to throw up some new challenges in the form of the war in Ukraine, energy prices, cost of living and industrial action. However, despite this, we were largely able to return to form following the more intense disruption and related recovery of the previous two years.

It was a year in which we took stock of the immense challenges and changes that had taken place since the

Strategy was approved in January 2020, to consider what the world looks like now, how we respond to it as an organisation, and how we continue to live our core strategic values

### The 2020-24 Strategic Plan

The five-year Strategic Plan was approved by members of RCVS Council at its January 2020 meeting and was published in full that spring.

The core message of the plan is our vision to be recognised as a trusted, compassionate and proactive regulator, and a supportive and ambitious Royal College, underpinning confident veterinary professionals of whom the UK can be rightly proud.

The 2020-24 Strategic Plan builds on the achievements of

“

**"The core message of the plan is our vision to be recognised as a trusted, compassionate and proactive regulator"**

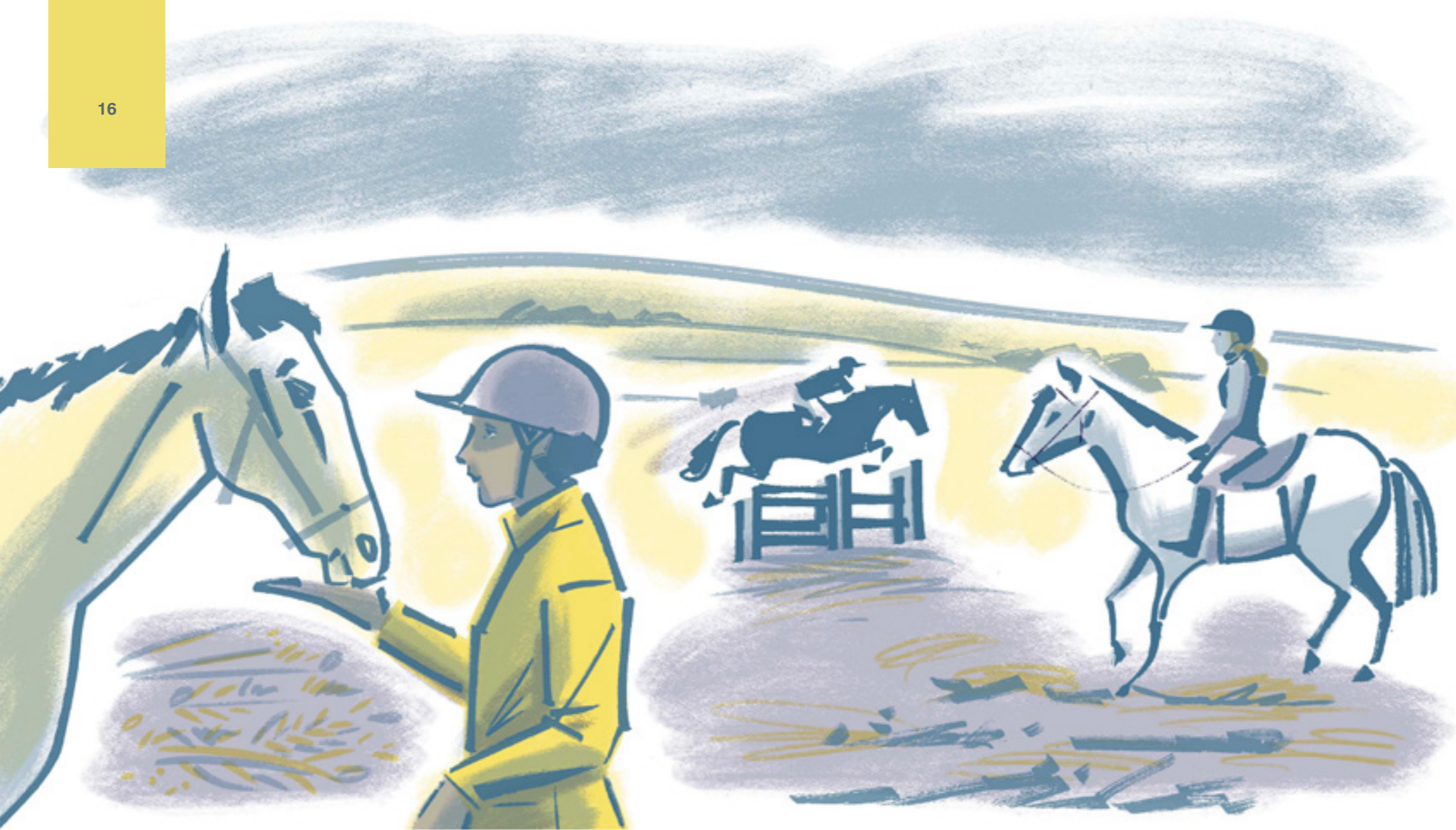
its predecessors, taking into account the future direction and needs of the professions and also the needs of the public, animal owners and, of course, animal health and welfare and public health. To do this, the plan addresses the kind of regulator and Royal College that we should be, our place in the world, and how we can continue to remain relevant with the changing times and ambitious for the veterinary professions, animal health and welfare and public health in the UK.

To help us achieve our vision, the Strategic Plan is built on a foundation of four key ambitions, each of which has a number of actions contained therein:

- **Clarity:** simplifying, unpicking and modernising what we do in order to remain relevant to both the profession and the wider public;
- **Compassion:** embracing a more compassionate approach to regulation by treating everyone as individuals, communicating promptly, explaining appropriately, and being fair, particularly in relation to the College's concerns investigation and disciplinary processes;
- **Courage:** taking a leadership role within the professions and considering how we can ensure the professional culture within the veterinary world is healthy, sustainable, inclusive, innovative and respectful; and,
- **Confidence:** recognising that we can only deliver on our plans if we have the right systems, skills and capacities in place in terms of our staffing, facilities, governance, finance, IT and communications. The decisions we make on the above factors will, in turn, be underpinned by our mission, vision and culture.

Within these four ambitions (available to download and read at [www.rcvs.org.uk/strategy](http://www.rcvs.org.uk/strategy)) there are a number of actions





– 33 in total – which set out the concrete steps we will take to meet the ambitions. This overview will look in detail at the actions taken in 2022, but first, here are a few brief highlights from the year in review:

- We launched the RCVS Academy, the College's free, online learning platform that aims to help veterinary surgeons and veterinary nurses better understand their professional responsibilities and key College processes, for example, resolving complaints in practice, the principles of delegation and the registration of overseas-qualified veterinary professionals.
- We continued to make headway on our review of our guidance on the concept of 'under care' and the requirement for 24-hour emergency first aid and pain relief, with proposed guidance approved by RCVS Council and the Standards Committee being put out for consultation in July. The consultation was conducted directly with the professions and stakeholder organisations, and a separate survey on the proposed new guidance was conducted with a representative sample of UK animal owners via the polling company YouGov. The proposed guidance, which was amended following feedback received during the consultation process, was formally approved at the January 2023 meeting of RCVS Council with a view to implement by the end of 2023.
- We published the Workforce Action Plan, setting out how we would work with partner organisations and the sector as a whole to mitigate the workforce crisis, improve recruitment and retention, and encourage return to the professions from those who have left.
- We held our long-delayed in-person celebration of the 60th anniversary of the veterinary nursing profession at the University of Oxford's Natural History Museum in August, where we also unveiled a new video outlining some of the key landmark developments in the history of the vet nursing.
- We purchased a new headquarters and successfully moved staff, as well as equipment, archive materials, historical artefacts and artwork, into temporary premises ahead of an anticipated move into the building in late 2023.
- We embedded environmental sustainability policies both

internally through the RCVS Staff Green Team, for which we received an Investors in the Environment (iE) award, and externally, via new standards for RCVS-accredited practices in the Practice Standards Scheme (PSS).

- We worked collaboratively with veterinary students and the Veterinary Schools Council to produce recommendations on how to improve support for Black, Asian and Minority Ethnic (BAME) veterinary students, as well as guidance on accommodating religious clothing and beliefs in clinical settings.

#### Clarity

The actions that are encompassed within this ambition are about ensuring clarity of purpose and that our internal and external stakeholders and service-users understand our role as both a regulator and a Royal College. The ambition seeks to ensure that we are a proactive regulator that remains a step ahead, even in the face of constant change and uncertainty. It means that we will listen widely, consult meaningfully, make confident decisions, then communicate with clarity, appreciating that the final outcome may not suit everyone.



**"We will listen widely, consult meaningfully, make confident decisions, then communicate with clarity"**

#### Legislative Reform

Following the formal adoption by RCVS Council of the recommendations for legislative reform in the summer of 2021, much of the work during 2022 concentrated on talking to policy-makers and other key stakeholders about the reforms, which would allow us to widen our regulatory remit and have additional powers to protect animal health and welfare. Our digital campaign – 'Life has changed over the last 60 years. Veterinary care has too' – highlighted to parliamentarians the need for the modern veterinary professions to have a modern legal and regulatory framework.

Our outreach activities with policy-makers included meetings with MPs and Peers, as well as politicians and officials in the devolved administrations in Northern Ireland, Scotland and Wales, culminating in a reception at the House of Lords in October 2022 sponsored by former RCVS President Lord Trees.

In addition to gaining support from MPs and Peers, the need for a new act has also been acknowledged and supported by the Department for Environment, Food and Rural Affairs.

#### Workforce issues

Horizon-scanning for future critical issues that may impact the professions and, once identified, working together with partners to see how we can tackle such issues, is one of the actions included in the clarity section of the Strategic Plan. One such critical issue, which has affected the professions from the end of 2020 onwards, has been the workforce crisis, caused by the supply of veterinary labour failing to keep up





with the increased demand for veterinary services.

Following our Workforce Summit in November 2021, which was led by our ViVet innovation programme and was convened to discuss collaborative approaches to mitigating the workforce issues besetting the professions, a full report of proceedings with suggested next steps was published early in 2022.

This was followed by a Workforce Action Plan published in November 2022, which set out how we would work with partner organisations (for example, representative bodies and veterinary corporations), and veterinary educators, as well individual members of the professions, to mitigate the workforce crisis. Actions fell into seven overarching ambitions, which were concerned with how to improve recruitment into the professions and retention of vets and

VNs once they're there, as well as how those who have left the profession could be encouraged back.

A series of workshop webinars exploring each of the seven ambitions in turn and encouraging attendees to be part of the solution, took place in February, March and April 2023.

The Workforce Action Plan, as well as a full report of the original Workforce Summit in November 2021, can be downloaded from: [www.rcvs.org.uk/publications](http://www.rcvs.org.uk/publications) International

The loosening of pandemic restrictions and the opening up of international travel in much of the world in 2022 afforded increased scope for us to get back to working on our global strategy, including working with partners in Europe and beyond, marketing our standards and services abroad,

and improving engagement with the 'diaspora' of RCVS members living and working overseas.

A key international engagement in 2022 – albeit taking place in the UK – was the pandemic-delayed Federation of Veterinarians of Europe (FVE) General Assembly, which was co-hosted by us and the British Veterinary Association (BVA). We welcomed 200 delegates from across Europe to London to discuss, among other things, how the pan-European veterinary sector could work together on issues such as mental health, workforce and cost of living. A particularly moving part of the event was a presentation by the Association of Veterinarians of Ukraine delegation about the terrible impact Russia's full-scale invasion has had on the veterinary professions and animal health and welfare in Ukraine.

As well as FVE, we have also remained a key player in other

“

"This year saw an uptick in the number of overseas graduate vets, particularly from Europe, joining the Register"

international veterinary groups, such as the International Accreditors Working Group, through which we take part in accreditation visitations of veterinary degrees across the world, the International Veterinary Regulators Network, and Mind Matters International.

In terms of improving engagement with international members, 2022 saw the launch of an 'International spotlight' feature on our website, and promoted via our monthly email newsletter, which features profiles of overseas-based veterinary surgeons and veterinary nurses giving their reflections on their work, their careers and some of the key differences between the UK and their current location. Profiles so far have included a professor of equine internal medicine based in Missouri in the United States, a charity vet who is based in Rajasthan, India, and an emeritus professor who works on zoonoses and public health in South Africa.

As regards international registrants, this year saw an uptick in the number of overseas graduate vets, particularly from Europe, joining the Register, following a significant drop in 2020 and 2021. To improve international registration for the future, we have also produced an RCVS Academy course to help guide overseas-qualified veterinary surgeons and veterinary nurses through the process.

#### Stakeholder outreach

Building up an outreach programme to improve relations and communications between the RCVS, the professions and the public in order to better inform all parties of what the College is and what it does, is a key action within the Clarity section of the Strategic Plan.



In terms of public engagement, in September 2022 RCVS Council approved in principle the setting up of a new public advisory group, which would act as a nexus between the College and the public to help us better understand the issues currently affecting animal owners, to consult with on the development of policy, to help develop and improve services for the public, and to test messaging and communications to ensure they are clear and understandable. The recruitment process for the public advisory group is due to start in the first part 2023 with a view to the group having its first meeting by the end of the year.

Vet and VN education accreditation and standards  
With the approval of new outcomes-focused accreditation standards for veterinary degrees, as well as a new assessment methodology for visitation panels, at the end of 2021, attention in 2022 was turned to how to reform extra-mural studies (EMS) to ensure that veterinary students, placement providers and veterinary schools were getting the best out of the experience. This work acknowledged the current issues with EMS placements – which all veterinary students must undertake in addition to the formal element of their veterinary degree – including the increasing competition for a limited number of available places, problems with geographical and financial accessibility to placements, and poor-quality placements, often caused by a mismatch between the expectations of the students and that of the placement providers.

Following an EMS stakeholder event towards the end of 2021, in which students, educators and veterinary employers gathered to discuss how to improve the quality, accessibility and outcomes of EMS placements, we produced a new policy framework for EMS to come into force from September 2024.

The new policy sets out to improve learning, flexibility and opportunities for all. Planned key changes include the introduction of quality assurance measures for EMS to increase the consistency of high value placements and allow for a reduction in the number of hours vet students are expected to spend on EMS placements. We are also developing an EMS database to facilitate students finding the placement best suited to their circumstances and learning needs.

Other achievements in this area include the updating of the Day One Competences, skills list and professional behaviours for veterinary nurses, and preliminary work around career pathways for vets, particularly those in general practice, and a review of Advanced Practitioner and

Specialist status. A stakeholder event was held at the Royal College of Surgeons in December 2022 bringing together veterinary surgeons of all statuses and disciplines, as well as veterinary nurses, to consider how we and the professions could work together to develop clearer and more rewarding career pathways for vets, improve access to the Advanced Practitioner (AP) and Specialist statuses, and clarify and improve communication around the meaning and benefits of AP status. A report of the proceedings is available at [www.rcvs.org.uk/publications](http://www.rcvs.org.uk/publications).

#### Compassion

This ambition is about ensuring our high standards continue to be met, while working in an empathetic way that respects all of our stakeholders and service-users as individuals. It recognises that a compassionate approach involves helping members of the veterinary team build the skills and knowledge they need to meet our standards, and that this is ultimately in the interests of animal health and welfare.

#### Professional conduct and concerns investigation

In 2022, we delivered on some of the reforms to the College's disciplinary process that had been approved by RCVS Council in the previous year. These aimed to streamline the process for both complainants and respondents and bring it more in line with regulatory best practice. Accordingly, from November 2022, we overhauled the concerns investigation process and replaced the 'Stage 1' Case Examiners Group with smaller Preliminary Investigation Committees comprising both veterinary professionals and laypeople. The reforms also introduced one consistent evidential standard throughout the investigatory process, namely determining if there is a realistic prospect of finding serious professional misconduct. As the year ended, our Professional Conduct Department had for several months been exceeding its key performance indicators (KPIs) in terms of the time taken to resolve cases and, it is hoped that, once sufficiently bedded in, these reforms may also further reduce the amount of time taken for cases to be resolved. The final part of the approved reforms, the introduction of the new Charter Case Protocol and Committee, will be taken forward in 2023.

In terms of support for those with concerns raised about them, we continued to monitor the Professional Conduct Investigation Support Service, a free and confidential listening and emotional support service for all veterinary surgeons and veterinary nurses going through the concerns investigation process which was introduced in 2021.

#### Mind Matters

Our Mind Matters Initiative (MMI) to support mental health



has continued to deliver for the professions in terms of training, awareness raising, research and providing resources and signposting sources of mental health and wellbeing support.

This year saw MMI focus on training, with the introduction of a new suite of courses aimed at improving health and wellbeing in the veterinary team across a number of areas. One key initiative was a collaboration with the training consultancy VetLed, which focused on empowering veterinary surgeons and veterinary nurses to challenge incivility in the working environment and to create more sustainable and psychologically healthy workplaces. This followed a survey conducted with student and newly-qualified veterinary nurses, which found that an overwhelming majority had experienced uncivil and bullying behaviours in practice. Other courses introduced in the year included a collaboration with the Veterinary Management Group on mental health awareness for managers and an online mental health first aid course for vets working in isolated and rural areas.

MMI also continued with its popular free, online 'Campfire Chats' – informal panel-based conversations about a wide range of topics related to veterinary mental health and wellbeing. Topics covered this year included celebrating diversity, promoting creativity, professional identity and tackling loneliness.

Finally, MMI started preparatory work on its new strategic plan via a survey conducted with veterinary surgeons and veterinary nurses on its proposed future areas of focus, these being: research; leadership; widening the conversation beyond mental health awareness; the veterinary nursing



**"The Academy is designed to make learning accessible and flexible and to fit around busy schedules"**

profession; students and new graduates; and, equality, diversity, inclusion and civility. The MMI strategy is due to be published in spring 2023 and will be available at [www.vetmindmatters.org](http://www.vetmindmatters.org)

#### RCVS Academy

The launch of the RCVS Academy in summer 2022 was a fulfilment of a specific action in the Compassion section of the strategic plan to help the regulated professionals within our remit to meet the standards expected of them by the public and their peers. The Academy, a free, online learning platform accessible to all veterinary surgeons and veterinary nurses, was developed in collaboration with members of the veterinary professions to ensure that it responds to the learning needs of members of the veterinary team. It was designed to make learning accessible and flexible and to fit around busy schedules by offering bite-sized interactive courses containing video, activities, scenarios and reflective practice.

With its specific remit of improving knowledge around professional conduct and standards for veterinary professionals at all career stages, we launched the Academy with five learning modules. These covered guidance around ownership and consent, how to resolve complaints, recording and reflecting on CPD, leadership and coaching, and information on working in the UK for overseas-qualified vets and vet nurses. Further courses added in 2022 included an introduction to the Veterinary Graduate Development Programme (VetGDP) for vets just joining the Register for the first time, and a course for VN clinical supervisors at Training Practices on how to get the best out of student vet nurses.



### Accessibility and communications

As a compassionate regulator, we need to ensure the information we provide is helpful, understandable and accessible to all, particularly in terms of our website content as this serves as the main contact point between the RCVS and the professions and public. As well as ensuring that website content is as accessible as possible, for example, through subtitling videos and setting out webpages and documents so they can be more easily read by those with visual and other impairments, we also started the process of a full and comprehensive review of the content on the website. Stage One of the review was completed in 2022 and involved different teams from the College looking at different sections of the website and removing or amending content that was, for example, outdated or didn't comply with accessibility best practice.

### Ukraine and refugees

With the launch of a full-scale invasion of Ukraine by Russia in February 2022, as well as the ongoing humanitarian crises in Afghanistan and other areas of the world, we reaffirmed our refugee support package, a partnership with the Refugee Council to offer financial assistance for veterinarians to undertake the Statutory Examination for Membership. In March 2022, the scheme was extended to refugees with veterinary nurse qualifications to support them in undertaking the pre-registration examination which needs to be passed before they can become Registered Veterinary Nurses. In addition, we collaborated with UK partners and the FVE on the latter organisation's online hub – Vets for Ukraine – to coordinate support and guidance for Ukrainian veterinarians, their families and animals.

### Courage

Under this ambition we strive for the courage to take a leadership role within the professions, to ensure that the prevailing culture is healthy, sustainable, inclusive, innovative and respectful and, through this, to develop confident veterinary professionals.

### Diversity & Inclusion

In 2022, we continued to deliver on our specific action within the Strategic Plan to catalyse culture change within the professions on a number of issues, including diversity and inclusion, as well as a broader and dedicated Diversity and Inclusion Group (DIG) Strategy published in 2021.

Following a series of virtual sessions in 2020 on improving support and removing barriers for Black, Asian and Minority Ethnic (BAME) veterinary students, we formed a BAME Student Support Working Group in 2021 to look at this specific

issue. Following that Working Group's recommendations, in 2022 we jointly published a report with the Veterinary Schools Council on how to improve the university experience for BAME vet students. The report sets out 14 specific recommendations for UK veterinary schools to enact, including to: set up formal systems to allow students to report any discriminatory behaviours they may be subjected to while on practice placements; improve the visibility of BAME role models within the student body, faculty and wider professions; and, provide training and guidance to university staff on handling complaints about discrimination, as well as general equality, diversity and inclusion (EDI) training to improve the knowledge and awareness of equality legislation and discriminatory incidents such as micro-aggressions.

Alongside the main report, we also published a practical guidance document on how best to accommodate religious clothing and beliefs in both the clinical practice and academic settings. The document was broadly based on similar guidance issued by the NHS and was put together in collaboration with staff and students at the veterinary departments of the University of Liverpool and University of Surrey.

As part of our commitment to showcasing role models and encouraging inclusive, everyday leadership within the profession, this year we celebrated Black History Month in October with the launch of our Leadership Stories Initiative. The Initiative will centre around the personal leadership stories of veterinary leaders from under-represented backgrounds, and the first people profiled were Dr Mandisa Greene MRCVS, former RCVS President, and Bristol-based Head Veterinary Nurse Nadidah Adamu RVN.

Finally, we also launched a new 'task and finish' Working Group on how to improve access to the professions from people with disabilities, in recognition that, at present, veterinary qualifications are not accessible to people for whom certain disabilities may mean they are unable to meet all of the Day One Competences and Skills. The group includes representatives from British Veterinary Chronic Illness Support (BVCIS), as well as BVA, the British Veterinary Nursing Association (BVNA), the Association of Veterinary Students (AVS) and VSC, and was set up to look at whether introducing limited licensure would improve access to veterinary qualifications. The group launched its chronic illness survey in 2023, following which it will make its recommendations.

### Sustainability

In a year in which extreme weather patterns and energy supply problems laid bare the extent of the climate crisis



facing the world, we played our part in making sure that, as an organisation, we were acting in an environmentally sustainable and responsible way, as well as encouraging greater sustainability within the veterinary professions through new standards and guidance.

The internal efforts were led by the RCVS Staff Green Team, which has implemented an environmental policy that is available to all staff and includes actions such as reducing power use, improving waste and recycling, and making travel more sustainable. For its efforts, we were awarded with Bronze level membership of the Investors in Environment (iE) environmental accreditation scheme this year.

An Environment and Sustainability Working Party has led on our external-facing efforts, with RCVS representatives joining the UK Health Alliance on Climate Change (UKHACC) to share best practice and raise awareness of how the climate crisis impacts both human and animal health, and how the health professions can act to mitigate it. This year, the Working Party also determined that our Practice Standards Scheme would be the best conduit through which we could encourage sustainable policies in veterinary practices. In July 2022, following approval by the Practice Standards Group, the College published its new environmental sustainability requirements for RCVS-accredited practices. This includes measures such as requiring a sustainability policy, communicating sustainability achievements, and minimising anaesthetic gas usage. The PSS also announced a new Environmental Sustainability Award, which allows practices to demonstrate that they have embedded environmentally sustainable behaviours and are excelling with their sustainability goals. The Award includes points for reducing

"This year we celebrated Black History Month in October with the launch of our Leadership Stories Initiative"

waste, consolidating medicines orders and minimising drug wastage, and calculating the practice's carbon footprint and setting reduction targets. Both the new standards for RCVS-accredited practices and the award will be introduced in 2023.

### Fellowship

Under the 'Courage' section of the Strategic Plan, we have committed to promoting both the art and science of veterinary medicine, and much of this work is being carried out via our learned society, the RCVS Fellowship. This year saw several key developments in the Fellowship, including the launch of a Discourse discussion forum for RCVS Fellows to allow them to talk, share ideas and forge connections with their peers in the learned society. The Fellowship Science Advisory Panel, a subgroup of the main Fellowship Board, also continued its research and evidence-gathering on a number of subjects, including Net Zero Surgery. Also, after a long break, RCVS Fellows once again had the opportunity to enjoy an in-person Fellowship Day held at the Royal Institution in London in November, featuring research presentations from veterinary students, RCVS Fellows, and guest speaker Professor Alan Wilson – Professor of Locomotor Biomechanics in the Structure and Motion Lab at the Royal Veterinary College and a world-renowned expert in the locomotory mechanics of animals. There was also change in the Fellowship Board with Professor John Innes, who had led the Fellowship during the pandemic years, retiring as Fellowship Chair and being succeeded by Dr Chris Tufnell FRCVS. The fact that Chris and Dr Emma Milne FRCVS, Fellowship Projects and Engagement Officer, were from a general practice background was also further demonstration that the Fellowship is open to all who have made significant achievements in the veterinary professions,



and not just those from an academic or research background.

### Career pathways

Under the Courage section of the Strategic Plan, we have pledged to ensure pathways to career progression for vets and vet nurses via post-registration statuses and qualifications. For vets, this process got underway in 2020 with a review of Advanced Practitioner (AP) status which found that more clarity was needed on the definition of AP status and how it differs from the Certificate in Advanced Veterinary Practice (CertAVP), as well as the need to raise awareness of it amongst the professions and public.

Following further examination of the evidence gained during the review by a 'task and finish' group, a stakeholder meeting was organised for December 2022 to discuss not only the future of AP status, but also how to build a more rewarding career progression pathway for 'GP vets', and how to widen accessibility to RCVS Specialist status. A report of the day is available to read at [www.rcvs.org.uk/publications](http://www.rcvs.org.uk/publications) and recommendations on the reform of postgraduate statuses and qualifications for vets are forthcoming.

For veterinary nurses, we continued to promote the postgraduate Certificate in Advanced Veterinary Nursing (CertAVN), launched shortly before the pandemic as a more flexible, modular replacement of the previous Diploma. As the year ended, the CertAVN qualification had five accredited providers, with more in the pipeline for assessment and inclusion in 2023.



### Confidence

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

### Governance

This year saw the continuation of our 'Council culture' project, with working groups comprising Council and VN Council members, plus senior RCVS staff, looking at how improvements could be made to a number of areas of governance. These included the election process, communication of news about the Council and Committee activity, the Code of Conduct for Council members, and better utilisation of individual Councils members' skillsets.

Phase one of the Council culture project was concluded at the June 2022 meeting of RCVS Council with the approval of a new 'How we work' statement. This clearly sets out the role of the RCVS, RCVS Council and individual RCVS Council members under the terms of both the Veterinary Surgeons Act and its subsequent amendments and additional schedules, and the Royal Charter.

Council also approved a clearer role specification for committee chairs; a standardised and simplified template for committee updates; and an outline plan for a new series of Regional and Virtual Question Time meetings to improve dialogue between the professions and Council members. The renewed focus on engagement with the professions via 'Question Time' sessions started with a well-attended event in Glasgow in September 2022 and continued into 2023.

Phase two of the Council culture project is now focusing on the induction process for Council members, how to better utilise the full range of skills that RCVS and VN Councils members bring to the table, and reforms to the Councils election process.

With the start of the war in Ukraine, we also took an opportunity to conduct a review of our investment portfolio to ensure that no money was invested in businesses owned by or closely affiliated with the Russian state. A very small percentage of the portfolio was found to be invested in such businesses, but we immediately divested from these. Last year we had similarly divested from all fossil fuel businesses because of their contribution to the climate crisis.

### People Strategy

Recognising that public and professional confidence in the RCVS requires having the right people in the right roles, in November 2021 we put in place a People Strategy to develop talent, diversity, leadership and culture, across the staff team, Council and committee members, examiners, assessors and all others who work on our behalf, as well as ensuring that RCVS values underpin their work.

The RCVS People Team delivered against the People Strategy in 2022 with updates to the induction, probation and annual appraisal processes to ensure consistency and to embed our core values within them.

As a compassionate and responsible employer, the People Team also introduced policies on how to create an understanding and supportive environment for people who were undergoing gender transition at work and for menopausal people.

A number of training clinics for managers were also introduced, providing advice and knowledge in areas such as employment law and bullying and harassment in the workplace. In light of the cost of living and economic turmoil in 2022, the People Team have planned further 'lunch and learn' sessions open to all staff and concentrating on financial issues such as understanding mortgages.

### Facilities

Early in 2022, following the completion of its sale in 2021, we began the process of moving out of Belgravia House, our headquarters for over a quarter of a century. In January 2022, we also completed on the purchase of new premises in 1-2 Hardwick Street in Clerkenwell, with occupancy expected to start from late 2023 onwards after the current tenants leave and refurbishment has been completed.

While a contract has been signed with flexible workspace provider WeWork for premises in Central London, so that we could continue to have a physical base, the move out of Belgravia House necessitated the moving of equipment, IT infrastructure, documents & archives, the RCVS Knowledge library, historical artefacts and paintings to new temporary homes and/or storage. For the valuable, historical and/or fragile items, particular care needed to be taken with their removal. Luckily, space was found for some of the priority collections at the City of Westminster Archive where the most frequently used books and journals, and key archive documents such as Council Minutes, Rolls of Members, examination records, and correspondence are now kept.



The fact that the new premises are not yet available for relocation, and are in need of refurbishment, has afforded us the opportunity to make sure that the space is right and meets the key needs of the organisation and staff. During 2022 we hired design and build consultancy Peldon Rose to hold workshops with our staff and Council about what they wanted from the new space both in terms of aesthetics and functionality, and these views, together with those from a larger-scale survey of staff, will be incorporated into the refurbishment plans.

### Customer service

Gathering member and service-user feedback and criticism and using it to improve the overall 'customer' experience is recognised as crucial to our reputation as a regulator. In order to better measure the level of service received by members and service-users, in 2022 we introduced a trial customer service pathway to more effectively handle and triage incoming calls, to ensure they got to the right people, and they were dealt with more effectively. In the coming year we will also be expanding the measurement of key performance indicators (KPIs) to more departments and teams within the College to ensure that the level of service we offer is transparent and measurable.

### Summary

While Covid and its impacts did not go away, and while there was still political and economic turmoil and uncertainty at home and abroad, overall, 2022 was a year in which we consolidated many of the policies we had introduced in the acute pandemic era – for example, VetGDP, mandatory 1CPD use and reflection, renewed focus on diversity and inclusion, and legislative reform. All the while, we continued to progress and deliver on new strategic priorities including, for example, the review of under care guidance, changes to the concerns investigation process and our reform of EMS. ●



## Financial management policies

### Reserves policy

#### Unrestricted reserves

The College holds unrestricted reserves to ensure its continuity, to enable its ability to discharge its statutory obligations, to cover liabilities that cannot be covered by insurance, to bridge cashflow problems and to fund long-term projects that cannot be quantified, such as introducing new legislation. The formula for calculating the total level of free reserves as is reviewed annually, and the method adopted by the RCVS continues to be considered appropriate. The free reserves target is six months of expenditure, a provision for building repairs and provision for risk cover.

The figure will change from year to year in line with levels of expenditure and the changing needs of the College. Based on current activity, the target level of reserves is £10.4m and the College currently exceeds this target. At 31 December 2022, the College held free reserves, of £13.6m including investments at market value but excluding property. This is higher than the reserves calculation, per the formula, by £3.2m. The excess reserves balance is being retained to provide funds to refurbish the new property, alongside other projects.

#### Designated funds

Designated funds are amounts set aside by Council for specific projects. The funds are expected to be used within three years of being designated.

#### Discretionary Fund

The Discretionary Fund is a designated reserve to provide for one-off projects and new initiatives not provided for in the annual budget and is subject to a detailed approval procedure. Expenditure is reported at each RCVS Council meeting. As at 31 December 2022, the value of the fund was £61k (£157k in 2021).

#### Project Fund

In previous years, funds were designated for specific projects and this fund is the balance of expenditure not incurred by the year end. The projects in this fund are for the estates strategy, alternative dispute resolution,

the new Professional Conduct IT system and the Mind Matters Initiative. As at 31 December 2022 the value of the fund was £56k (2021 £285k).

#### Practice Standards Scheme

Practice Standards Scheme income can only be used to fund current or future scheme activities and is held as a designated fund.

#### Going concern

RCVS Council has assessed the ability of the College to continue as a going concern and has considered several factors when forming its conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included identifying issues affecting the budget and cashflow forecasts to 31 December 2024, a consideration of the key risks and the latest available valuation of the investment portfolio.

The principal source of income for the RCVS is membership fees from veterinary surgeons and nurses. This represents over 90% of the College's income. Forecasts for other income and expenditure have been reviewed.

After considering these factors, RCVS Council has concluded that the College has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on a going concern basis.

#### Risk Management

As a regulator and Royal College, risk awareness and management is strongly embedded in the working culture of the RCVS. The Corporate Risk Register outlines organisation-wide risks, and the mitigating processes we have in place to control them. The register is regularly reviewed internally by the College Senior Team and is also externally reviewed by the Audit and Risk Committee. The RCVS Risk Management Policy defines roles and responsibilities across the

organisation to ensure that we remain risk adverse. This is coupled with a detailed assurance map that runs in tandem with the Corporate to ensure adequate levels of risk assurance is being applied and monitored across the risk register.

Our key risks in 2022 and 2023; along with their mitigations, include the following:

#### Management of a Global Pandemic

This risk is not only restricted to Covid-19 - which is still prevalent globally - but also encompasses the threat posed by zoonotic viruses that can be transmitted between animals and humans. One of note is the current strain of Avian Influenza While the risk of transmission between humans is low at present, there have been confirmed cases of other mammals contracting the virus. It is important therefore to continue to monitor both the Covid-19 situation and any potential disease outbreaks. In line with these concerns, we have identified several safeguards to mitigate this risk of pandemics. For example, the continual monitoring of the situation both globally and in the UK and ensuring we have the correct business continuity and IT infrastructure in place to deal with any potential future outbreaks.

#### Cost of living crisis and inflation

The cost of living in the UK had increased remarkably in late 2021 and throughout 2022, with the rate of inflation reaching its highest towards the end of last year. This has led to an ongoing national crisis whereby prices for essential goods and services have increased faster than household incomes. In terms of the profession, It is acknowledged that the crisis can result in an increase in the cost of veterinary services, which would raise animal health and welfare concerns if the public struggle to pay veterinary bills. Additionally, the increased financial pressures on the public raise animal abandonment concerns. In respect of the impact on the College, our operational costs are likely to increase. And from an employee standpoint, we appreciate that the increased financial pressures can impact the mental wellbeing and health of our staff. We also recognise the potential

effect on staff turnover. Actions taken in anticipation of these risks include having conversations with UK animal welfare Charities to understand the impact in animals, increased financial support for staff, increased mental health support for RCVS employees and the profession and monitoring of this risk from the Finance and Resources Committee.

#### Cyber

Relevant risks include the impact of cyber-related activities on RCVS assets and infrastructure. For example, so-called 'distributed denial of service' attacks which could bring down the RCVS website; as well as ransomware and hacking attacks resulting from phishing emails and other techniques. Our mitigations for this risk include mandatory cyber-security awareness training for staff, the implementation of robust IT security systems, regular penetration testing, device encryption, the existence of tech controls such as firewalls, regular backing up of IT systems, and process controls.

#### Breach of confidentiality

This risk involves the disclosure of confidential and/or private information to third parties in breach of data protection law and/or the College's own confidentiality policies. Actions taken to mitigate this risk include training for RCVS staff and RCVS/VN Councils members on data protection and confidentiality, the launch of a 'Council culture' project looking at how to improve trust and culture amongst Council and committee members, and the continued promotion of the Code of Conduct for Council and Committee members.

The Organisational Risk Register sets out potential risks and the mitigating processes we have in place. The Register is regularly reviewed by the College's Senior Team, as well as being subject to external review via the Audit and Risk Committee.

#### Remuneration policy

In 2020, all staff salaries, including key management personnel of the Senior Team, were benchmarked against external criteria by an independent consultants,



using various external benchmarking surveys, looking at postholders job descriptions and evaluating at 'Market -premium' rates. This exercise was carried out again in February 2023. The Remuneration Subcommittee (comprising Treasurer, President and two Vice-Presidents) agree any pay increases, effective from April of each year. Senior Team members are then asked to put forward recommendations that are considered by the CEO and People Director. The CEO's salary is recommended by the President.

#### Responsibilities of RCVS Council statement

RCVS Council is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements for each financial year have to give a true and fair view of the state of affairs of the College and of the incoming resources and application of resources of the College for that period. In preparing these financial statements, RCVS Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and,
- prepare the financial statements on the 'going concern' basis unless it is inappropriate to presume that the College will continue in business.

RCVS Council is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the provisions of the constitutional documents and bye-laws. It is also responsible for safeguarding the assets of the College including taking

reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### Investment powers and performance

The College has powers to invest monies in investments, securities or property. Limited powers of investment management have been given to the College's stockbroker Investec, which reports to the Finance & Resources Committee and also meets with the Treasurer. The investment objective is to achieve a balance between capital and income growth in a diversified portfolio of equities, bonds, cash and commercial property. UK equity exposure is mainly through direct companies, but trusts are also used for exposure to UK smaller companies, overseas equities and property.

Performance in 2022 was measured against an agreed customised benchmark of holdings of 23% fixed interest, 40% UK equities, 25% overseas equities, 5% property, 5% infrastructure and 2% cash. The result for the year was a total return of -11.57%, compared to a benchmark return of -8.02%.

Approved by RCVS Council on 8 June 2023



Niall Connell, Treasurer





## Independent auditor's report to the members of the Royal College of Veterinary Surgeons

### Opinion

We have audited the financial statements of the Royal College of Veterinary Surgeons for the year ended 31 December 2022, which comprise the Statement of Financial Activities, the Balance Sheet, Cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 December 2022 and of its surplus for the year then ended; and,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report.

### Other information

The Council is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Council

As explained more fully in the Council members' responsibilities statement set out on page 28, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the responsibilities of the Council for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the College either intend to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about

whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members.

We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the College operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities SORP (FRS102), as adopted by the Council in the preparation of the financial statements of the College. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the College for fraud. The laws and regulations we considered in this context were the Veterinary Surgeons Act 1966, taxation legislation, employment legislation, General Data Protection Regulation (GDPR) and Health and safety legislation.

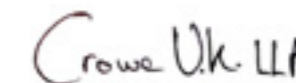
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Council and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management.

Our audit procedures to respond to these risks included enquiries of management and the Council about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### Use of our report

This report is made solely to the members of the College, in accordance with the bye-laws of the College as a body, in accordance with our agreed terms of engagement. Our audit work has been undertaken so that we might state to the College's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Crowe U.K. LLP**  
Statutory Auditor  
London

**Date** 19 June 2023



# Royal College of Veterinary Surgeons Financial Statements 2022

## Statement of Financial Activities for the year ended 31 December 2022

	Notes	2022			2021		
		Unrestricted		All Funds	Unrestricted		All Funds
		General Fund	Designated Fund		General Fund	Designated Funds	
£'000	£'000	£'000	£'000	£'000	£'000		
<b>Income</b>							
<b>Income from activities</b>							
Veterinary surgeons	2	11,279		11,279	10,970	10,970	
Veterinary nurses	3	2,567		2,567	2,113	2,113	
RCVS examinations		359		359	292	292	
Register of Veterinary Practice Premises		212		212	223	223	
Practice Standards Scheme			903	903	912	912	
Investment income		316		316	320	320	
<b>Income from other trading activities</b>							
Publications and other income		93		93	53	53	
Rental income		792		792			
Other income - gain on disposal of tangible fixed assets					12,017	12,017	
<b>Total income</b>		<b>15,618</b>	<b>903</b>	<b>16,521</b>	<b>25,988</b>	<b>26,900</b>	
<b>Expenditure relating to activities</b>							
Regulatory functions		11,001	354	11,355	9,015	9,315	
Veterinary nursing		1,193		1,193	1,014	1,014	
RCVS examinations		222		222	166	166	
Register of Veterinary Practice Premises		166		166	150	150	
Practice Standards Scheme			1,222	1,222	990	990	
Investment management costs		67		67	42	42	
Support for RCVS Knowledge and other trusts	4	1,140		1,140	998	998	
Other expenditure - tax expense/(credit)	9, 14b	(469)		(469)	3,006	3,006	
<b>Total expenditure</b>	6	<b>13,320</b>	<b>1,576</b>	<b>14,896</b>	<b>14,391</b>	<b>15,681</b>	
Net operational income/(expenditure)		2,298	(673)	1,625	11,597	(378)	
Net (losses)/gains on investments	12	(1,954)		(1,954)	1,243	1,243	
Net income/(expenditure)		344	(673)	(329)	12,840	(378)	
Transfers between funds	15	(22,586)	22,586	0	(116)	116	
<b>Net movement in funds</b>		<b>(22,242)</b>	<b>21,913</b>	<b>(329)</b>	<b>12,724</b>	<b>(262)</b>	
<b>Reconciliation of funds:</b>							
Total funds brought forward	15	35,567	505	36,072	22,843	767	
<b>Total funds carried forward</b>	<b>15</b>	<b>13,325</b>	<b>22,418</b>	<b>35,743</b>	<b>35,567</b>	<b>505</b>	

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those above.

Movements in funds are disclosed in note 15 to the financial statements.  
The notes on pages 36 to 44 form part of these financial statements.



## Balance sheet 31 December 2022

Fixed assets	Notes	2022 £'000	2021 £'000
Tangible assets	10	22,489	440
Investments	12	12,199	14,185
		<b>34,688</b>	<b>14,625</b>
<b>Current assets</b>			
Debtors	13	1,256	2,579
Cash and short-term deposits		6,478	27,483
		<b>7,734</b>	<b>30,062</b>
Liabilities			
<b>Creditors: amounts falling due within one year</b>	14	(6,176)	(7,515)
Net current assets		1,558	22,547
<b>Total assets less current liabilities</b>		<b>36,246</b>	<b>37,172</b>
Creditors: amounts falling due after more than one year			
<b>Provisions for liabilities</b>	14b	(503)	(1,100)
Total net assets		<b>35,743</b>	<b>36,072</b>
Funds	15		
Unrestricted - general fund		13,586	35,567
Unrestricted - designated funds		22,157	505
<b>Total funds</b>		<b>35,743</b>	<b>36,072</b>

The financial statements were approved by RCVS Council and authorised for issue on 8 June 2023.



M Donald, President



N Connell, Treasurer

The notes on pages 36 to 44 form part of these financial statements.

## Cashflow statement for the year ended 31 December 2022

	2022 £'000	2021 £'000
<b>Cash flows from operating activities:</b>		
Net Operational income	1,625	11,218
Depreciation of tangible fixed assets	276	21
Investment income and rent received	(1,108)	(320)
Tax expense	(469)	3,006
Other income /(credit) - gain on disposal of property	0	(12,017)
(Increase)/Decrease in debtors	1,323	(2,278)
(Decrease)/Increase in creditors	(1,468)	113
<b>Net cash provided by / (used in) operating activities</b>	<b>179</b>	<b>(257)</b>
<b>Cash flows from investing activities:</b>		
Investment income and rent received	1,108	320
Realised (losses)/gains	(322)	1,125
Proceeds from the sale of property	0	13,897
Purchase of property	(22,325)	0
Net from sale/(purchase) of investments	355	(1,106)
<b>Net cash provided by / (used in) investing activities</b>	<b>(21,184)</b>	<b>14,236</b>
<b>Change in cash and cash equivalents in the period</b>	<b>(21,005)</b>	<b>13,979</b>
Cash and Cash Equivalents brought forward	27,483	13,504
Cash and Cash Equivalents carried forward	6,478	27,483
<b>Increase/(decrease) in cash in the period</b>	<b>(21,005)</b>	<b>13,979</b>

The notes on pages 36 to 44 form part of these financial statements.



# Notes to the financial statements for the year ended 31 December 2022

## 1. Accounting policies

### a) Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The College has adopted the Statement of Recommended Practice, Accounting and Reporting by Charities SORP (FRS 102), to provide a comparable framework with other organisations. The financial statements have been prepared in accordance with FRS 102 and the Statement of Recommended Practice: Accounting and Reporting by Charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011, except that the Statement of Financial Activities headings that have been adapted to give prominence to headings more appropriate to the College.

RCVS Council has assessed the ability of the College to continue as a going concern and has considered several factors when forming its conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements. This has included looking at the impact on the accounts for 2024, identifying issues affecting the budget and cashflow forecasts to 31 December 2024, a consideration of the key risks and the latest available valuation of the investment portfolio.

The principal source of income for the RCVS is membership fees from veterinary surgeons and nurses. This represents over 90% of the College's income. Whilst a wider range of options for payment of membership fees are now available, which may impact the cashflow profile, overall income levels are not expected to be significantly impacted.

After considering these factors, RCVS Council has concluded that the College has a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future and have continued to prepare the financial statements on a going concern basis.

### b) Income

The fee year for veterinary surgeons, the Practice Standards Scheme and the Register of Veterinary Practice Premises runs from 1 April to 31 March. Fees are apportioned over the calendar year, with fees received for the three months after the end of the calendar year included in deferred income in creditors. The veterinary nurses' fee year runs from 1 November to 31 October and ten months' income received in the calendar year is included in deferred income in creditors.

Registration fees are recognised when received, reflecting the timing of the service.

Rental income is recognised on an accruals basis.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due, which is normally upon notification by our investment advisor.

Legacy income is accounted for on the date probate is obtained, when it can be measured reliability and receipt is probable.

### c) Expenditure

All expenditure is accounted for on an accruals basis. A provision is recognised when we have a present obligation (legal or constructive) as a result of a past event: it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate. No provision is made for avoidable costs to be incurred in future periods where such costs arise as a result of a disciplinary matter in hand at the period end.

Direct expenditure, including staff costs, is allocated to the applicable expenditure headings. General management, overheads (support costs) and governance costs have been allocated on the basis of headcount.

Governance costs are the costs associated with the governance of the College and associated with the constitutional requirements. These costs will normally include internal and external audit, legal advice for Council and costs associated with constitutional and statutory requirements, for example, the cost of Council meetings and preparing statutory accounts.

Included within governance costs are any costs associated with the strategic, as opposed to day-to-day, management of the College's activities. These costs include the cost of employees involved in meetings with Council and the cost of any administrative support provided to Council members. For more information, see note 5.

### d) Tangible fixed assets

Assets which cost in excess of £10,000 and with an expected useful life exceeding one year are capitalised, except for computer equipment and related consultancy costs which are written off in the year of purchase.

Freehold and leasehold buildings	2% of cost
Fixtures and fittings	10–25% of cost

### e) Investments

Investments are included on the balance sheet at fair value at the end of the financial period. Net gains and losses are shown in the Statement of Financial Activities in the year in which they arise and are based on brought forward values. The cash in the portfolio forms part of the long-term investments and arose due to the timing effect of managing the portfolio. Therefore it has not been classified as part of the cash balances for the cash flow statement.

### f) Taxation

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

The College is treated as a mutual organisation and is therefore taxed only on outside sources of income. Historically, this has been investment income and for 2022 this also includes rental income.

Current tax for the College, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The College is able to offset tax liabilities against gift aid payments to RCVS Knowledge and other trusts.

Deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date where the transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date and those obligations are expected to crystallise. Timing differences are differences between the College's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. A Prior Year Adjustment has been included to recognise the Deferred Tax Liability for unrecognised gains on investments.

### g) Pension contributions

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

### h) Financial instruments

"Financial assets and financial liabilities are recognised when the College becomes a party to the contractual provision of the instruments. All financial assets and liabilities are initially recognised at their settlement value and subsequently recognised at market value."

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

Short term investments (cash equivalents) are cash on deposit, not part of the long-term resources and considered a liquid asset as they have a maturity date of three months or less.

Cash at bank includes cash and short-term highly liquid investments with a short maturity date of three months or less from the date of acquisition.

Creditors and provisions are recognised where there is a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

### i) Critical accounting judgements and key sources of estimated uncertainty

In the application of the College's accounting policies, described above, the Council is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

### j) Fund accounting

The RCVS holds unrestricted and designated funds. Funds may be designated by Council for specific purposes as described in note 15.

### k) Heritage assets

No heritage assets have been purchased or disposed of during the last five years. The RCVS occasionally receives donated heritage assets, including in this accounting period, but none of the donated items received over the last five years are deemed to have an individual value greater than £1,000. No impairment in the value of the College's heritage assets has been recognised in either the current or previous four reporting periods.

No value has been attributed to the heritage assets of the RCVS in the balance sheet on the grounds that there is no reliable method of establishing historic cost information for these artefacts and that the costs of valuation would be disproportionate to the benefit of the resultant information.

## 2. Income from veterinary surgeons (including Specialists)

	2022 £'000	2021 £'000
Annual retention fees	10,630	10,393
Registration fees	391	303
Restoration fees	54	83
Fellowship fees	27	22
Specialist fees	67	62
Advanced Practitioner fees	110	107
<b>Total</b>	<b>11,279</b>	<b>10,970</b>

## 3. Income from veterinary nurses

	2022 £'000	2021 £'000
Annual retention fees	1,723	1,311
Registration fees	217	268
Restoration fees	0	20
Student enrolment	522	428
Examinations	67	24
Other	38	62
<b>Total</b>	<b>2,567</b>	<b>2,113</b>

## 4. Support for RCVS Knowledge and other trusts

	2022 £'000	2021 £'000
Donations to RCVS Knowledge	446	446
Reallocation of support costs to RCVS Knowledge	591	448
	<b>1,037</b>	<b>894</b>
Payments to other trusts	103	104
<b>Total</b>	<b>1,140</b>	<b>998</b>

## 5. Governance costs and Council and committee members' expenses

	2022 £'000	2021 £'000
Council and committee members' expenses	530	346
Audit	32	30
Staff costs	243	247
<b>Total</b>	<b>805</b>	<b>623</b>

Council and committee members' expenses relate to costs incurred attending meetings, excluding the costs of attending Preliminary Investigation, Disciplinary and Advisory/Standards Committees (these are included in regulatory costs). Payments are made for travel and subsistence and a financial loss payment to employers or practices. The total number paid was xx (2021 – 49). The RCVS takes out indemnity insurance. The cover is taken out on behalf of all employees and all those who act on behalf of the College. As such the costs cannot reasonably be broken down between the different categories covered.

The allocation of governance costs to activities is shown in note 6.

## 6. Total expenditure 2022

	Direct costs £'000	Staff costs £'000	Reallocation support and governance costs £'000	2022 Total £'000
Regulatory functions	4,573	4,261	2,521	11,355
Veterinary nursing	255	608	330	1,193
RCVS examination costs	137	45	40	222
Register of Veterinary Practice Premises	0	88	78	166
Practice Standards Scheme	77	776	369	1,222
Investment management costs	67	0	0	67
Support for RCVS Knowledge and other trusts	549	0	591	1,140
Other expenditure - tax expense	(469)	0	0	(469)
	<b>5,189</b>	<b>5,778</b>	<b>3,929</b>	<b>14,896</b>
Governance costs	562	243	(805)	0
Support costs	1,889	1,235	(3,124)	0
<b>Total expenditure</b>	<b>7,640</b>	<b>7,256</b>	<b>0</b>	<b>14,896</b>

The methods and principles for allocation and apportionment of costs are included in the accounting policies on pages 36 and 37

Total expenditure 2021	Direct costs £'000	Staff costs £'000	Reallocation support and governance costs £'000	2021 Total £'000
Regulatory functions	3,584	3,825	1,906	9,315
Veterinary nursing	182	585	247	1,014
RCVS examination costs	92	45	29	166
Register of Veterinary Practice Premises	1	90	59	150
Practice Standards Scheme	56	655	279	990
Investment management costs	42			42
Support for RCVS Knowledge and other trusts	552		446	998
Other expenditure - tax expense / (credit)	3,006			3,006
	<b>7,515</b>	<b>5,200</b>	<b>2,966</b>	<b>15,681</b>
Governance costs	376	246	(622)	
<b>Support costs</b>	<b>1,266</b>	<b>1,078</b>	<b>(2,344)</b>	
<b>Total expenditure</b>	<b>9,157</b>	<b>6,524</b>	<b>0</b>	<b>15,681</b>



## 7. Net income for the year

<b>This is stated after charging:</b>		
	<b>2022 £'000</b>	<b>2021 £'000</b>
Depreciation	276	21
<b>Auditor's remuneration:</b>		
Auditor's remuneration	32	31
Other services (taxation, risk software)	9	23

## 8. Staff costs and numbers

<b>Staff costs were as follows:</b>		
	<b>2022 £'000</b>	<b>2021 £'000</b>
Salaries and wages	6,067	5,568
Social security costs	650	503
Pension contributions	539	453
<b>Total</b>	<b>7,256</b>	<b>6,524</b>

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

	<b>FTE</b>	<b>2022 Headcount</b>	<b>FTE</b>	<b>2021 Headcount</b>
Regulatory functions	76	81	72	74
Governance	3	3	3	3
Veterinary nursing	6	8	8	8
RCVS examination costs	1	1	1	1
Practice Standards Scheme	10	29	9	27
Register of Veterinary Practice Premises	2	3	2	3
Support	16	23	18	19
<b>Total</b>	<b>114</b>	<b>148</b>	<b>113</b>	<b>135</b>

<b>Staff earning over £60K only (including employee benefits, excluding pension)</b>	<b>2022</b>	<b>2021</b>
£60,001 – £70,000	7	7
£70,001 – £80,000	4	4
£80,001 – £90,000	3	2
£90,001 – £100,000	3	2
£100,001 – £110,000	2	1
£110,001 – £120,000	-	-
£120,001 – £130,000	-	1
£130,001 – £140,000	1	-
£140,001 – £150,000	-	-
£150,001 – £160,000	1	1

The RCVS considers its key management personnel to be the Senior Team named on page 4. The total employment benefits, including employer national insurance and employer pension contributions, of the key management personnel were £1,180k (2021 -£1,099k). Details of the remuneration policy are on page 27.

In 2022 there were no redundancy payments and settlement agreements (2021 - £82,203).

## 9. Taxation

A corporation tax charge of £128k is expected to arise in relation to the rental income. There has been a reduction in the deferred tax liability relating to potential gains in the value of investments, and this is shown at note 14b.

## 10. Tangible fixed assets

<b>Cost</b>	<b>Property £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
At the start of the period	667	0	667
Additions	22,325	0	22,325
Disposals	0	0	0
At the end of the period	<b>22,992</b>	<b>0</b>	<b>22,992</b>
<b>Depreciation</b>			
At the start of the period	227	0	227
Charge in the year	276	0	276
Disposals	0	0	0
At the end of the period	<b>503</b>	<b>0</b>	<b>503</b>
<b>Net book value</b>			
At the start of the period	440	0	440
At the end of the period	22,489	0	22,489

In January 2022, RCVS purchased a property in Hardwick Street for £22.325m which will become the College's new Headquarters.

## 11. Commitments under operating leases

At 31 December 2022, RCVS had total minimum lease commitments under non-cancellable operating leases as follows:

	<b>2022 Land and buildings £'000</b>	<b>2022 Other £'000</b>	<b>2021 Land and buildings £'000</b>	<b>2021 Other £'000</b>
Within one year	291	0	178	0
Between one and five years	0	0	0	0
Over five years	0	0	0	0
<b>Total</b>	<b>291</b>	<b>0</b>	<b>178</b>	<b>0</b>

In 2021, RCVS sold its headquarters - Belgravia House - and then leased back the property. In March 2022 RCVS terminated the lease on Belgravia House and moved to serviced WeWork offices in Chancery Lane as an interim measure.

## 12. Investments

	<b>2022 £'000</b>	<b>2021 £ 000s</b>
Fair value at the start of the year	13,965	12,809
Additions at cost	2,420	2,520
Disposals at cost	(2,775)	(2,607)
Net gains/(losses)	(1,954)	1,243
Total (excluding cash)	<b>11,656</b>	<b>13,965</b>
Cash balance	543	220
Fair value at the end of the year	<b>12,199</b>	<b>14,185</b>
Historic cost at the end of the year	<b>10,188</b>	<b>11,676</b>

The investment portfolio is divided between the following categories:

The portfolio consists of the following:	2022 Fair value £'000	2022 Per cent of portfolio £'000	2021 Fair value £'000	2021 Per cent of portfolio £'000
UK equities	3,152	27.0%	4,599	32.9%
Overseas equities	4,648	39.9%	5,693	40.8%
UK fixed income	1,453	12.5%	1,474	10.6%
Overseas fixed income	812	7.0%	683	4.9%
UK Property	348	3.0%	435	3.1%
Alternative assets	1,243	10.7%	1,081	7.7%
Total (excluding cash)	<b>11,656</b>	<b>100.0%</b>	<b>13,965</b>	<b>100.0%</b>

### 13. Debtors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade debtors	299	199
RCVS Knowledge	0	54
Prepayments and other debtors	957	276
Deposit for purchase of property	0	2,050
Total	<b>1,256</b>	<b>2,579</b>

### 14. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	559	510
RCVS Knowledge	13	0
Other creditors	625	95
Accruals	284	235
Corporation tax	128	2,719
Deferred income (see note 14a)	4,567	3,956
Total	<b>6,176</b>	<b>7,515</b>

### 14a. Deferred income

Deferred income	2022 £'000	2021 £'000
Opening balance	3,956	3,834
Released in the year	(3,956)	(3,834)
Deferred in the year	4,567	3,956
<b>Closing balance</b>	<b>4,567</b>	<b>3,956</b>

### 14b. Deferred tax

Deferred income	2022 £'000	2021 £'000
Opening balance	1,100	813
Charge/(credit) for the year	(597)	287
Closing balance	<b>503</b>	<b>1,100</b>

### 15. Movements in funds

Movements in funds during the year						
	Opening balance as at 01.1.22 £'000	Income £'000	Expenditure £'000	Investments Gain/(loss) £'000	Transfers £'000	Closing balance at 31.12.22 £'000
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Discretionary Fund	157		(88)		(8)	61
Project Fund	285		(266)		37	56
Property Fund					22,325	22,325
Practice Standards Scheme	63	903	(1,222)		232	(24)
<b>Total Designated Funds</b>	<b>505</b>	<b>903</b>	<b>(1,576)</b>		<b>22,586</b>	<b>22,418</b>
<b>General Fund</b>	<b>35,567</b>	<b>15,618</b>	<b>(13,320)</b>	<b>(1,954)</b>	<b>(22,586)</b>	<b>13,325</b>
<b>Total Unrestricted Funds</b>	<b>36,072</b>	<b>16,521</b>	<b>(14,896)</b>	<b>(1,954)</b>	<b>-</b>	<b>35,743</b>

Movements in funds during the prior year						
	Opening balance as at 01.1.21 £'000	Income £'000	Expenditure £'000	Investments Gain/(loss) £'000	Transfers £'000	Closing balance at 31.12.21 £'000
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Discretionary Fund	268		(77)		(34)	157
Project Fund	358		(223)		150	285
Practice Standards Scheme	141	912	(990)			63
<b>Total Designated Funds</b>	<b>767</b>	<b>912</b>	<b>(1,290)</b>		<b>116</b>	<b>505</b>
<b>General Fund</b>	<b>22,843</b>	<b>25,989</b>	<b>(14,392)</b>	<b>1,243</b>	<b>(116)</b>	<b>35,567</b>
<b>Total Unrestricted Funds</b>	<b>23,610</b>	<b>26,901</b>	<b>(15,682)</b>	<b>1,243</b>	<b>-</b>	<b>36,072</b>









# Royal College of Veterinary Surgeons Annual Report & Financial Statements 2022