



# Royal Medical Benevolent Fund

The Doctors' Charity

## Annual report and accounts Year ended 31<sup>st</sup> March 2020

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## REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

The Trustees submit their report and the financial statements of the Royal Medical Benevolent Fund (RMBF) for the year ended 31<sup>st</sup> March 2020. These were approved by the Board on 25<sup>th</sup> June 2020.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Rules and Articles of Association of the RMBF, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition issued October 2019).

### 1. OUR CHARITABLE OBJECTS

The objects of the RMBF are to prevent or relieve poverty and to relieve need arising from youth, age, ill health, disability and bereavement among people who are doctors or who have worked as doctors, and medical students and the dependants of all such individuals.

### 2. OUR AIMS, OBJECTIVES AND ACTIVITIES

#### 2.1 Our aims

The RMBF aims to support doctors and their families through times of crisis and great hardship. We aim to help our beneficiaries to become independent and self-sufficient, and we may be able to consider longer term support when this is not possible.

Our Medical Student Programme aims to help medical students who are facing exceptional hardship to finalise their studies, qualify as doctors and complete their foundation years.

Our Refugee Doctors Programme works with key partners to help refugee doctors to secure GMC registration on successful completion of their exams and subsequently to obtain supervised employment in a training post in the NHS.

In addition we aim to keep under review emerging needs relating to doctors, medical students and their families.

#### 2.2 Our objectives for 2019/20

Our key objectives were:

- To provide appropriate financial support to all eligible applicants and beneficiaries in need of help
- To continue the development of the RMBF volunteer network
- To raise the profile of the Charity in the profession so that those needing help know where to turn
- To develop partnerships with relevant organisations to maximise the Charity's impact
- To diversify and grow the Charity's income streams so that we can respond to increasing demand for our help
- To commission research to identify the extent of unmet need in doctors, medical students and families in financial difficulty

## REPORT OF THE BOARD OF TRUSTEES (Continued) FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### 2. OUR AIMS, OBJECTIVES AND ACTIVITIES (Continued)

#### 2.3 Our charitable activities

##### 2.3.1 Grant making (the award of grants and loans amounting to £587,882 in 2019/20).

The RMBF provides grants and loans to help with living costs, back to work and retraining costs, home adaptations and specialist equipment.

The Grants and Awards Committee meets regularly to consider applications for assistance from those in financial hardship.

The Board of Trustees keeps the Charity's grant making policies under regular review to ensure they are effective in meeting the Charity's aims and objectives.

##### 2.3.2 DocHealth

DocHealth, developed in partnership with the BMA, provides confidential, specialist-led support for doctors experiencing mental health issues. The service supported 223 doctors this year with a range of issues such as anxiety, depression and burnout. DocHealth has now helped over 700 doctors in total.

##### 2.3.3 Money advice

In 2019/20 the RMBF's specialist money advisor helped beneficiaries with advice to secure state benefits to which they are entitled to a total value of £85,579 in addition to securing savings of £29,471 through debt renegotiation.

The RMBF also provided specialist online money advice to 62 medical students this year.

##### 2.3.4 Online support

The RMBF website received a total of 103,920 visits this year, expanding the reach of our support. The website helps doctors and medical students in need to access support from the RMBF – this includes practical help for those in serious hardship, as well as useful online resources covering wellbeing, careers, mental health, money advice, and more besides. It also hosts a wealth of content for those looking to get involved and support others, whether by donating, volunteering or fundraising for the Charity.

### 3. PUBLIC BENEFIT REQUIREMENT

The Board of Trustees confirms that it has complied with the duty set out in the Charities Act to have regard to the Charity Commission's guidance on public benefit when exercising its powers and duties.

The Trustees are aware of the guidance and have taken it into account when determining the activities undertaken by the Charity. To fulfil the RMBF's charitable objectives the Charity provides a range of support as follows:

## REPORT OF THE BOARD OF TRUSTEES (Continued) FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### 3. PUBLIC BENEFIT REQUIREMENT (Continued)

- Monthly grants to help with essential day-to-day living costs
- Back-to-work awards for doctors returning to work after a period of illness
- Help with purchasing specialist equipment
- Help with purchasing disability adaptations for a car or home
- Money and debt management advice
- Telephone befriending, for those who are isolated and in need of support

The potential beneficiaries who are eligible to be considered for support include over 330,000 doctors registered with the GMC as well as an unknown number of retired doctors who are no longer registered. A conservative estimate is that each doctor has on average 1.5 dependants, producing a further 495,000 dependants. In addition, there are now over 40,000 medical students.

The work undertaken by doctors in providing medical diagnosis, treatment and care for the people of the United Kingdom is clearly of great public benefit. The phenomenal response of doctors to the Covid-19 pandemic is a powerful demonstration of this. By helping doctors through their own individual periods of need, so that they can return to medical practice where appropriate, a further public benefit is provided.

The RMBF Medical Student Programme, which helps medical students facing exceptional hardship to finalise their studies to qualify as doctors and complete their foundation years, further extends the public benefit provided by the Charity.

### 4. OUR ACHIEVEMENTS AND PERFORMANCE

#### 4.1 Principal funding sources and how expenditure in the year under review has supported the key objectives of the Charity

The principal funding sources in 2019/20, in order of financial importance, were: investment income, legacies and donations. All income is used to support the Charity's key objectives, as identified in section 2.2 above. In 2019/20 this included:

- Direct financial support for 273 beneficiaries across the UK
- £587,882 in grants and loans awarded to those in financial hardship
- Specialist money advice which assisted beneficiaries to secure a further £85,579 in statutory benefits, in addition to securing savings of £29,471 through debt renegotiation
- Back to work support for doctors following a period of ill health
- Support for medical students in exceptional and unexpected hardship
- Support for refugee doctors retraining to practise medicine in the UK
- Development of the RMBF volunteer network
- Web based information and advice services
- Dedicated online money advice for medical students

**REPORT OF THE BOARD OF TRUSTEES (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**4. OUR ACHIEVEMENTS AND PERFORMANCE (Continued)**

Objective	Achievement
<p>1. To provide appropriate financial support to all eligible applicants and beneficiaries in need of help</p>	<p>A total of £697,313 was provided or secured for 273 beneficiaries across the UK this year.</p> <p>Grants and loans paid out of £582,263 were 5% higher than the previous year.</p>
<p>2. To continue the development of the RMBF volunteer network</p>	<p>Our volunteers are the backbone of the RMBF, providing vital support to our beneficiaries and promoting our work throughout the medical profession.</p> <p>Over the past year we have strengthened our RMBF volunteer model to incorporate a more flexible approach which meets the changing needs of our beneficiaries and enables us to better promote the work of the Charity. Current and new volunteers are signing up to undertake a variety of different activities on our behalf from giving talks and presentations to raising money through individual and community events.</p> <p>Our number of medical student volunteers promoting our work in UK medical schools has continued to grow. And our cohort of volunteer coach-mentors is now providing specialist support to beneficiaries looking to return to work after a period of ill health.</p> <p>We have nearly 200 volunteers and we are very grateful for the hard work and commitment demonstrated across the RMBF volunteer network.</p>
<p>3. To raise the profile of the Charity in the profession so that those needing help know where to turn</p>	<p>Our staff, trustees and volunteers have undertaken a wide range of talks and presentations over the year raising the profile of the RMBF across the medical profession. We have also staffed stands at a number of national medical conferences, building awareness and making new contacts with delegates.</p> <p>Junior doctor Michael Nally – “Dr Mike on a Bike” - completed his eight-month round-the-world cycle ride in aid of the RMBF and Mind covering over 19,000 miles. He has a large social media following and raised awareness of RMBF throughout his journey.</p> <p>We have also significantly increased our own social media reach over the past year, growing our followers on Twitter, Instagram and Facebook, further extending the reach and impact of the Charity.</p>

**REPORT OF THE BOARD OF TRUSTEES (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**4. OUR ACHIEVEMENTS AND PERFORMANCE (Continued)**

Objective	Achievement
<p>4. To develop partnerships with relevant organisations to maximise the Charity's impact</p>	<p>We have continued to build on our programme of meetings with medical organisations to help identify new and emerging needs and how best the RMBF could respond to those needs.</p> <p>We have developed our partnership with the BMA to support the DocHealth service which provides confidential, specialist-led support for doctors experiencing mental health issues. The service continues to make very good progress, with over 700 doctors helped so far, the majority of those being junior doctors.</p> <p>We continue to work closely with the Association of Anaesthetists on developing our joint wellbeing partnership which was launched in the autumn. We have recruited joint RMBF and Association volunteers to raise the profile of both organisations and promote wellbeing initiatives amongst their colleagues.</p>
<p>5. To diversify and grow the Charity's income streams so that we can respond to increasing demands for our help</p>	<p>During the year, members and supporters of the RMBF's volunteer guilds made a valuable contribution of £45,896 through their wide range of fundraising events and donations. We are very grateful for their support.</p> <p>The President's Appeal has again been a great success raising a total of £97,806 this year. We are very grateful to individual donors from within the medical profession and their families, who provide valuable support year-on-year. We also owe grateful thanks to supporters who very sadly passed away over the past year and left generous gifts to the RMBF in their wills.</p> <p>Combined support from trust, foundations and corporates also had a major impact in 2019/20. We would like to extend thanks to the Wesleyan Foundation, BMA Giving, the Tod Benevolent Trust, the Association of Anaesthetists, Lloyds Banking Group, MDDUS, Medical Protection, MDU, Remedium Partners, Jon Baines Tours and local medical committees for their support.</p>
<p>6. To commission research to identify the extent of unmet need in doctors, medical students and families in financial difficulty</p>	<p>We have begun a tender process to commission a high-quality research project to identify the extent of unmet need in medical practitioners, medical students and families who are in financial difficulty as a result of ill health, disability or bereavement.</p> <p>In addition to identifying the extent of unmet need, we would expect the researchers to identify organisational strategies for the RMBF to help us reach those potential beneficiaries who are not engaging with the Charity and at the earliest opportunity.</p> <p>We have put aside £100,000 for this work in a designated fund.</p>

## REPORT OF THE BOARD OF TRUSTEES (Continued) FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### 4. OUR ACHIEVEMENTS AND PERFORMANCE (Continued)

Factors relevant to the achievement of the RMBF's charitable objectives included:

- The commitment, care and professionalism of the RMBF's President, Board of Trustees, staff and volunteer network
- Partnerships with a wide range of medical and other organisations
- The kindness and generosity of all those who support the RMBF as donors and fundraisers.

#### 4.2 Impact of Covid-19 pandemic

The impact of Covid-19 on the medical profession and the Charity has been considerable and a number of our trustees, volunteers and beneficiaries have been directly involved in tackling the pandemic on the frontline. We have inevitably seen an increase in applications from doctors facing financial difficulty as a result of the pandemic and we have introduced new measures to ensure fast-track payments can be made to beneficiaries in urgent need. Despite the challenges, we have continued to assess all applications in a timely manner and have put systems in place to allow for weekly payments to be made. At the same time we have been very grateful for the generosity of our supporters with so many responding to our Covid-19 Appeal. In addition, many kind people have undertaken imaginative fundraising events to support the Charity at this crucial time. Covid-19 also had a negative impact on the RMBF's investments at year end, but with a well-balanced portfolio in place we are pleased to have largely recovered that position since. We know that the impact of the Covid pandemic will be felt by the profession for months and even years and the RMBF will always be there for doctors, medical students and their families when they need our help.

### 5 FUNDRAISING ACTIVITIES AND COMPLIANCE

Voluntary income from donations this year totalled £367,495 which was some £34,000 above last year.

Without the generosity of our donors our work wouldn't be possible. The vital money and awareness that our supporters help us raise means we can be there when doctors, medical students and their families need help.

#### 5.1 Donations from individuals

The majority of the RMBF's voluntary income is from individual giving. The RMBF has a very loyal core of donors who give regularly either by standing order or on an ad-hoc basis in response to our mailings. Last year we sent out a Spring newsletter, Annual Review, Autumn newsletter and our President's Appeal.

#### 5.2 Legacies and In Memoriam donations

Legacies form a large part of the RMBF's voluntary income. We also receive a number of In Memoriam donations each year, often in lieu of flowers at a funeral. We are very grateful for families thinking of the RMBF at such a difficult time.

This year we ran a legacy mailing and developed a new legacy giving leaflet for our supporters.

#### 5.3 Community and events

We have an active network of fundraising volunteers; the majority are part of a guild structure. The guilds



## **REPORT OF THE BOARD OF TRUSTEES (Continued)** FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### **5. FUNDRAISING ACTIVITIES AND COMPLIANCE (Continued)**

organise local fundraising events in their communities and help spread the message about the RMBF. A number of our individual supporters also take on fundraising challenges on behalf of the Charity, including bike rides and marathons.

We are very grateful for the hard work and commitment of all our fundraisers.

#### **5.4 Medical organisations, trust funding and corporate support**

We are proud to work with medical organisations, charitable trusts and commercial companies to raise money to help us care for more medical students, doctors and their families and also raise awareness of our services.

Last year we developed or extended partnerships with the British Medical Association, Wesleyan, MDU, MDDUS, Medical Protection Society, the Association of Anaesthetists, Remedium Partners, the Tod Benevolent Fund and others.

#### **5.5 Regulation**

The RMBF is registered with the Fundraising Regulator and committed to adhering to the Code of Fundraising Practice.

We review compliance through audit and monitoring feedback, and take corrective action where required.

#### **5.6 Standards and monitoring**

The RMBF is committed to following the highest ethical standards and to ensuring a quality supporter experience. We do not use professional fundraisers or commercial third parties. All of our employees who undertake fundraising as part of their duties receive thorough inductions and regular training and supervision.

Our fundraising, communications, administration and finance personnel also work closely with fundraising supporters and RMBF guild committees to ensure they are well supported and compliant in their own voluntary fundraising efforts.

#### **5.7 Complaints**

We have a complaints policy and can report our complaints on a calendar year basis to comply with the Fundraising Regulator's requirements. In the 12 months to 31<sup>st</sup> March 2020 we did not receive any complaints.

#### **5.8 Managing communications**

Most people who donate to us want to know how their money is being used to benefit doctors, medical students and their families. We ask if they would like us to keep in touch with them and how they would prefer us to communicate, whether by email, post, telephone or SMS. We also give supporters the option to let us know if they prefer less contact or no longer wish to hear from us, and always respect their wishes.

We do not sell or exchange lists of data with any other charities or companies. For further details please see our privacy policy at <https://rmbf.org/privacy-policy>.

## REPORT OF THE BOARD OF TRUSTEES (Continued) FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### 6. OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

#### 6.1 Board of Trustees

The Trustees, who are the Directors of the Company, during the year ended 31<sup>st</sup> March 2020 and to date were/are:

Chair of the Board of Trustees: **Professor Michael Farthing**  
Treasurer: **Professor Amritpal Hungin** OBE DL  
Vice Chair of the Board of Trustees: **Miss Heather Mellows** OBE

**Dr Edward Adams**  
**Dr David Derbyshire**  
**Mr Simon Dinnick**  
**Mr James Fergusson** (retired 23<sup>rd</sup> September 2019)  
**Mr Jonathan Hine**  
**Dr Aliyah Hussein** (appointed 23<sup>rd</sup> September 2019)  
**Ms Janice Liverseidge**  
**Professor Pauline McAvoy**  
**Dr Oliver Seyfried**  
**Dr Richard Stevens**  
**Mr Tim Woods** (appointed 11<sup>th</sup> December 2019)

#### 6.2 How trustees are recruited, appointed, inducted and trained

Under the RMBF's constitution the Board of Trustees consists of a minimum of five members but not more than fifteen members, serving for three years in the first instance, renewable for a second term.

Before recruiting new trustees, an analysis is undertaken by the Nominations Committee, on behalf of the Board to ensure appropriate diversity and to identify what experience, expertise and contacts will be most helpful to further the aims and objectives of the Charity. We then advertise the role through relevant media to identify suitable potential trustees for interview.

Each new trustee receives an induction pack, providing information about the RMBF (including its constitution, its most recent Annual Report and Accounts) and the role of a charity trustee. Each trustee is also invited to attend an induction session at the RMBF's offices, arranged by the Chair and Chief Executive, which includes observing a Grants and Awards Committee meeting in order to see at first hand the types of case requiring help, the way these are assessed and the range of support considered. During the Covid-19 pandemic trustee inductions were held remotely.

A budget is allocated for trustee development and details of external trustee training opportunities are circulated to all trustees.

#### 6.3 Organisational structure

The RMBF is governed by a high profile and dedicated Board of Trustees, which includes senior representatives from across the medical profession. The Board meets quarterly to consider how best to achieve the RMBF's charitable objects; provide strategic leadership and approve, monitor and review development plans; agree

## REPORT OF THE BOARD OF TRUSTEES (Continued) FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### 6. OUR STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

policies; agree and keep under review the RMBF's organisational structure and arrangements for delegation; and approve the annual budget, annual accounts, investment strategy, reserves policy, risk review and audit arrangements. During the year the Board conducted an audit tender, following which Knox Cropper were reappointed as auditors.

The Board is assisted by a number of specialist sub committees. These comprise:

- the *Grants and Awards Committee*, which meets every two months to review applications for financial assistance
- the *Finance Committee*, which meets three times a year to review the RMBF's financial position and operating performance and to review the performance of the RMBF's investment portfolio
- the *Compliance Committee*, which meets annually to help ensure the RMBF is meeting its legal requirements, to review health and safety compliance and to conduct a review of the risk register
- the *Staffing Committee*, which is responsible for staff terms and conditions and ensuring equality of opportunity
- the *Nominations Committee*, which is responsible for ensuring that the RMBF Board and associated Committees have the appropriate balance of expertise and experience

The Board and its sub committees are advised by the RMBF's Chief Executive, who is responsible for arranging the drafting of development plans, budgets and policies for consideration by the Board; for arranging implementation of Board and Committee decisions; and for day to day management of the RMBF. The RMBF's staff arrange support for those in need, coordinate the work of the RMBF's volunteer network, organise national fundraising (such as the President's Appeal) and ensure that the RMBF meets all Charity Commission, Scottish Charity Regulator and other statutory and legal requirements.

The RMBF remains fortunate that so many members of the medical profession and their families voluntarily give their time to support its work. Our national network of volunteers supports the Charity's work in many ways. They promote the work of the RMBF across the medical profession, raise money for us by organising community events and offer telephone support those who may be isolated or lonely.

### 7. OUR AIMS AND KEY OBJECTIVES TO MARCH 2021

Our key objectives to March 2021 are:

- To provide appropriate financial support to all eligible applicants and beneficiaries in need of help
- To continue the development of the RMBF volunteer network
- To raise the profile of the Charity in the profession so that those needing help know where to turn
- To develop partnerships with relevant organisations to maximise the Charity's impact
- To diversify and grow the Charity's income streams so that we can respond to increasing demand for our help
- To commission research to identify the extent of unmet need in doctors, medical students and families in financial difficulty

## REPORT OF THE BOARD OF TRUSTEES (Continued) FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### 8. FINANCIAL PERFORMANCE

#### 8.1 Investment policy

The investment policy aims to provide a balance between income and capital growth with a medium level of risk over the longer term, thereby enabling the Trustees to meet their objectives in respect of the requirements of the Charity.

The RMBF adopts a total return approach. To spread the risk in a volatile financial market the portfolio is managed by two investment managers, Newton Investment Management (63% of portfolio), and CCLA Fund Managers Limited (20%), with 13% of investment funds invested directly and 4% held in cash.

The Trustees require their investment managers to pay attention to the standard investment criteria, namely the suitability of the class of investment and the need for diversification insofar as appropriate to the circumstances of the Charity. Any restrictions on the type of investments or markets in which the manager may invest on the Charity's behalf will be given in writing.

The long-term investment objective is to achieve a real return of 3.85% per annum net of fees, enabling the RMBF to spend this amount (whether from income or capital) and to maintain the real value, and dividend paying capacity, of the invested portfolio, measured over the course of an economic cycle. Going forward we will continue to keep the target under review.

This year saw a strong investment performance for 10½ months until mid-February when the impact of the Covid-19 pandemic hit global markets. We had already noted the high market valuations before this happened and in August we moved £5 million from the Newton Growth Fund for Charities into the more defensive BNY Mellon Sustainable Real Return Fund. Following an investment review, we liquidated our portfolio with Ruffer LLP at the end of December and invested £6.5 million in CCLA COIF units and £3 million in US and UK inflation-linked government bonds, the latter replacing our previous holding in the Ruffer SICAV Fixed Income Fund.

##### 8.1.1 Investment restrictions

The RMBF may have no direct or indirect investment in tobacco production and no direct or material indirect exposure to companies that derive more than 10% of their turnover from tobacco. 'Exposure' includes shares, fixed interest securities and other financial instruments.

#### 8.2 Reserves policy

The Board of Trustees has examined the Charity's requirements for reserves and identified the need for sufficient reserves to generate the investment income needed to:

- Maintain its charitable activity – to include maintaining support for current beneficiaries for as long as the need exists including the new demands from the medical student programme; and
- Extend its charitable work, to meet new and emerging needs in the medical profession.

## REPORT OF THE BOARD OF TRUSTEES (Continued) FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

### 8. FINANCIAL PERFORMANCE (Continued)

This requirement takes account of the fact that, in a typical year, the RMBF's charitable expenditure considerably exceeds the aggregate of its voluntary and trading income. This shortfall is largely covered by investment income and most of the RMBF's reserves are held in the form of investments which the RMBF requires to generate income to support its long-term work.

The Finance Committee monitors the reserves of the RMBF regularly and will recommend corrective action to the Board of Trustees, where appropriate.

The Finance Committee formally reviews the reserves policy each year (or more frequently should the need arise) and recommends to the Board of Trustees whether the policy should be continued or amended.

The RMBF's unrestricted reserves stood at £30.6 million at 31<sup>st</sup> March 2020, the majority of which is subject to market risk. The continuing high reliance on investment income to finance the RMBF's charitable work during a period of continuing stock market volatility and unusually low interest rates, emphasises the importance of maintaining adequate reserves of at least this order.

#### 8.3 Financial performance for the year and financial position at the year end

Total income for the year amounted to £1,433,846, compared with £1,111,741 in the preceding year. The increase in income was mainly due to higher legacy income - up from £140,731 to £465,114 in the current year, with this year including one particularly generous legacy of £350,000. Donations also increased from £333,564 to £367,495 including £20,000 from BMA Giving for the Back to Work Programme.

Income from investments decreased slightly due to a combination of the low interest rate environment and the reorganisation of holdings during the year.

Expenditure on charitable activities remained above £1.3 million, whilst support costs were slightly reduced. Investment management fees decreased from £208,194 to £160,333 with the reorganised investment holdings now including a higher proportion of investments where fees are charged against the capital of the fund rather than being invoiced separately.

Overall, the statement of financial activities recorded net expenditure for the year of £1,197,205 compared with net income of £640,576 last year. The financial year end occurred close to the low point for financial markets and this impacted on our investment valuations, giving rise to investment losses of £978,236 included in the above figure. These losses have subsequently been recovered in April and May, but the position is being carefully monitored by our Finance Committee who are in regular contact with our investment managers.

Total resources at the disposition of the RMBF at 31<sup>st</sup> March 2020 amounted to £32.1 million, of which £30.6 million is unrestricted. Nearly £30 million of this is held in investments.

Net current assets, the principal balance sheet measure of short to medium term solvency, increased from £1.04 million to £1.45 million. This makes the RMBF well positioned to respond to the challenges arising from the Covid-19 pandemic.

Social investments comprising interest free secured loans to beneficiaries stood at £555,035 compared with £576,235 last year.

**REPORT OF THE BOARD OF TRUSTEES (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**9. RISK MANAGEMENT**

The Trustees have identified the risks to which the RMBF is exposed, including risks to its financial position and reputation as well as health and safety considerations. These are reviewed annually by the Compliance Committee, which ensures that risk management procedures and controls are in place to minimise risk and, where appropriate, to consider further action.

The key types of risk to which the RMBF is exposed, along with the principal processes in place to manage and mitigate the risks, are briefly described below:

<b>Risk</b>	<b>Mitigation</b>
Adverse external financial environment and performance of investment managers	<p>The Finance Committee regularly reviews the financial performance of the Charity and monitors the investment managers closely, taking expert advice.</p> <p>In order to provide balance and diversification to the portfolio and reduce risk, the RMBF splits its investments between two fund managers with different approaches.</p>
Fraud	<p>Financial controls at the RMBF are documented and follow Charity Commission guidelines. The RMBF accounts are fully audited annually. IT systems are regularly updated.</p>
Health and safety	<p>Basic health and safety training and fire safety training is part of the induction process for new staff. Smoke detectors, fire extinguishers and emergency lighting are checked regularly and full office evacuations performed. All-staff training sessions are held throughout the year, to cover areas such as defibrillator training, CPR, and allergy awareness in the workplace.</p> <p>Our annual Health and Safety premises visit is currently on hold due to the Covid-19 outbreak, but we continue to undertake regular risk assessments, and to monitor health and safety policies and procedures, supported by Croner, who are specialists in health and safety law. Health and Safety is a standing item on the agenda at staff meetings.</p> <p>To ensure the safety of our staff and volunteers, we conducted a Covid-19 risk assessment prior to the start of the lockdown. We put in a number of safeguards which we will continue to monitor, review and manage for as long as is needed.</p> <p>Volunteers receive guidance and training on health and safety issues and lone working.</p>
Health pandemic	<p>The RMBF has procedures in place to ensure the Charity can continue to operate effectively and deliver all services in the case of a health pandemic such as Covid-19. We will monitor and follow government advice on safe working procedures while ensuring that we can assess grant applications and make payments in a timely manner. The majority of staff can work from home with secure access to their work and payments can also be processed remotely with appropriate safeguards. We have a formal business recovery plan in place.</p>
Disaster recovery	<p>The RMBF has a formal business recovery plan. A disaster recovery contract has been agreed with our IT support provider which includes a commitment to have the office up and running in 48 hours with all basic essentials including loan hardware for ten users.</p>

**REPORT OF THE BOARD OF TRUSTEES (Continued)**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

**9. RISK MANAGEMENT (Continued)**

<b>Risk</b>	<b>Mitigation</b>
Data protection, cyber security and loss of information	<p>We ensure that all of our staff receive training on data protection and cyber security. Our data protection policy is circulated to all staff and procedures are in place to ensure compliance with the Data Protection Act and GDPR. We will continue to monitor RMBF data protection procedures and best practice.</p> <p>Our IT support function is outsourced to a professional service company who ensure that daily backups of our data are held securely off site. Our LAN is protected by a managed firewall and our servers and PCs have automatically updating antivirus protection.</p>

**10. REFERENCE AND ADMINISTRATIVE INFORMATION**

The Royal Medical Benevolent Fund is a private company limited by guarantee, number 00139113. It is a charity registered with the Charity Commission for England and Wales, number 207275 and the Scottish Charity Regulator, number SC046148. The Trustees are listed in paragraph 6.1 above.

Address and registered office: 24 Kings Road, Wimbledon, London SW19 8QN.

Website: <https://rmbf.org>

Patron: HM The Queen

President: Professor Dame Parveen Kumar DBE

Chief Executive: Steve Crone

Our principal advisors during the year were:

**Legal**

Charles Russell Speechlys  
5 Fleet Place  
London  
EC4M 7RD

Bates Wells Braithwaite  
10 Queen Street Place  
London  
EC4R 1BE

**Bankers**

National Westminster Bank Plc.  
Regent Street Branch  
250 Regent Street  
London  
W1B 3BN

**Investment managers**

Newton Investment Management Limited  
160 Queen Victoria Street  
London  
EC4V 4LA

CCLA Investment Management Limited  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

**Auditors**

Knox Cropper LLP  
Chartered Accountants  
65 Leadenhall Street  
London  
EC3A 2AD

**REPORT OF THE BOARD OF TRUSTEES (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**11. STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees are 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). Company law and the law applicable to charities in England and Wales requires the Charity Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of its income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website.

The Trustees confirm that, in the case of each of the persons who are Trustees at the date of this report, the following applies:

- So far as each Trustee is aware there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Charity's auditors are unaware; and
- Each Trustee has taken all the steps necessary to make herself/himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**By order of the Board of Trustees**



**STEVE CRONE**  
Chief Executive and Company Secretary

25<sup>th</sup> June 2020



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL MEDICAL BENEVOLENT FUND

### Opinion

We have audited the financial statements of the Royal Medical Benevolent Fund (the 'charitable company') for the year ended 31st March 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st March 2020 and its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE ROYAL MEDICAL BENEVOLENT FUND (Continued)

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

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

### Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, set out in the trustees' report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report or for the opinions we have formed.



Gregory Stevenson, Senior Statutory Auditor  
For and on behalf of Knox Cropper LLP, Statutory Auditors  
65 Leadenhall Street, London, EC3A 2AD

25<sup>th</sup> June 2020

**STATEMENT OF FINANCIAL ACTIVITIES**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

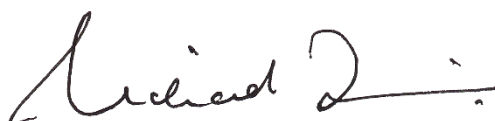
	Notes	2020			2019		
		Unrestricted funds £	Restricted funds £	Total funds £	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME FROM</b>							
Donations and legacies	2	805,109	27,500	832,609	465,426	8,869	474,295
Other trading activities		44,144	-	44,144	19,944	-	19,944
Investments	3	506,660	50,433	557,093	568,087	49,415	617,502
<b>Total</b>		<b>1,355,913</b>	<b>77,933</b>	<b>1,433,846</b>	<b>1,053,457</b>	<b>58,284</b>	<b>1,111,741</b>
<b>EXPENDITURE ON</b>							
Charitable activities	4	1,259,023	52,736	1,311,759	1,300,907	56,516	1,357,423
Raising funds	5	180,723	-	180,723	169,568	-	169,568
Investment management fees		160,333	-	160,333	208,194	-	208,194
<b>Total</b>		<b>1,600,079</b>	<b>52,736</b>	<b>1,652,815</b>	<b>1,678,669</b>	<b>56,516</b>	<b>1,735,185</b>
<b>Net income/(expenditure) before gains and losses on investments</b>		<b>(244,166)</b>	<b>25,197</b>	<b>(218,969)</b>	<b>(625,212)</b>	<b>1,768</b>	<b>(623,444)</b>
Net gains/(losses) on investments	10	(927,285)	(50,951)	(978,236)	1,153,904	110,116	1,264,020
<b>Net income/(expenditure) and net movement in funds</b>		<b>(1,171,451)</b>	<b>(25,754)</b>	<b>(1,197,205)</b>	<b>528,692</b>	<b>111,884</b>	<b>640,576</b>
<b>RECONCILIATION OF FUNDS</b>							
Fund balances brought forward at 1 <sup>st</sup> April 2019		31,722,962	1,610,303	33,333,265	31,194,270	1,498,419	32,692,689
<b>Fund balances carried forward at 31<sup>st</sup> March 2020</b>	15, 16	<b>£30,551,511</b>	<b>£1,584,549</b>	<b>£32,136,060</b>	<b>£31,722,962</b>	<b>£1,610,303</b>	<b>£33,333,265</b>

There were no discontinued or acquired activities during the current or preceding financial year.

**BALANCE SHEET**  
AS AT 31<sup>st</sup> MARCH 2020

	Notes	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		<b>235,589</b>		245,715
Investments – Representing:					
Unrestricted funds	10	<b>28,438,600</b>		29,963,699	
Restricted funds	10	<b>1,454,640</b>		<u>1,505,591</u>	
			<b>29,893,240</b>		31,469,290
Social investments	11		<u><b>555,035</b></u>		<u>576,235</u>
			<b>30,683,864</b>		32,291,240
<b>CURRENT ASSETS</b>					
Debtors	12	<b>307,127</b>		181,749	
Cash at bank and in hand	13	<u><b>1,338,710</b></u>		<u>1,044,318</u>	
		<b>1,645,837</b>		<b>1,226,067</b>	
<b>CREDITORS:</b> Amounts falling due within one year	14	<u><b>(193,641)</b></u>		<u>(184,042)</u>	
<b>Net current assets</b>			<u><b>1,452,196</b></u>		<u>1,042,025</u>
<b>Total assets less liabilities</b>			<u><b>£32,136,060</b></u>		<u>£33,333,265</u>
<b>UNRESTRICTED FUNDS</b>					
Accumulated funds	15	<b>28,957,573</b>		27,791,552	
Revaluation reserve		<b>1,493,938</b>		3,931,410	
Designated reserve		<u><b>100,000</b></u>		-	
			<b>30,551,511</b>		31,722,962
<b>RESTRICTED FUNDS</b>					
	16		<u><b>1,584,549</b></u>		<u>1,610,303</u>
			<u><b>£32,136,060</b></u>		<u>£33,333,265</u>

The financial statements were approved by the Board of Trustees on 25<sup>th</sup> June 2020 and signed on its behalf by:



**Michael Farthing**  
Chair of the Board of Trustees



**Amritpal Hungin**  
Treasurer

Registered Company Number: 00139113  
Charity Commission Registration Number: 207275  
Scottish Charity Registration Number: SC046148

**STATEMENT OF CASH FLOWS**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

	Note	2020		2019	
		£	£	£	£
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Net cash used in operating activities	A		(704,265)		(273,097)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of tangible fixed assets		(17,667)		(32,210)	
Proceeds from sale of tangible fixed assets		1,890		-	
Purchase of investments		(18,635,037)		(9,303,702)	
Proceeds from sale of investments		18,646,144		9,934,983	
Dividends and interest received		612,328		610,285	
Investment management fees paid		(194,560)		(208,790)	
<b>Net cash provided by investment activities</b>			<b>413,098</b>		<b>1,000,566</b>
<b>Change in cash and cash equivalents in the financial year</b>			<b>(291,167)</b>		<b>727,469</b>
Cash and cash equivalents at the beginning of the financial year	B		2,880,631		2,153,162
<b>Cash and cash equivalents at the end of the financial year</b>	B		<b>£2,589,464</b>		<b>£2,880,631</b>

**NOTES TO THE STATEMENT OF CASH FLOWS**

**A. RECONCILIATION OF NET EXPENDITURE TO NET CASH USED IN OPERATING ACTIVITIES**

	2020	2019
	£	£
Net (expenditure)/income as per the statement of financial activities	(1,197,205)	640,576
Adjustments for:		
- Depreciation	27,483	24,569
- Gains on sale of tangible fixed assets	(1,580)	-
- Dividends and interest from investments	(557,093)	(617,502)
- Losses/(gains) on investments	978,236	(1,264,020)
- Investment management fees	160,333	208,194
- Decrease in social investments	21,200	26,200
- (Increase)/decrease in debtors	(180,614)	604,499
- Increase in creditors	44,975	104,387
<b>Net cash used in operating activities</b>	<b>£ (704,265)</b>	<b>£ (273,097)</b>

**B. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1st April 2019	Movement	At 31st March 2020
	£	£	£
Bank current accounts	8,915	8,903	17,818
Cash on deposit - less than 24 hours' notice	1,034,311	(217,901)	816,410
Cash on deposit - more than 24 hours' notice	-	502,451	502,451
Cash in hand	1,092	939	2,031
Bank overdraft	(1,148)	1,148	-
	<b>1,043,170</b>	<b>295,540</b>	<b>1,338,710</b>
Cash held under investments	<b>1,837,461</b>	<b>(586,707)</b>	<b>1,250,754</b>
	<b>£2,880,631</b>	<b>£ (291,167)</b>	<b>£2,589,464</b>

**NOTES FORMING PART OF THE ACCOUNTS**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**1. ACCOUNTING POLICIES**

(a) **Basis of accounting**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value, with the exception of listed investments which are shown at their market value at the balance sheet date. The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Rules and Articles of Association of the RMBF, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (second edition issued October 2019).

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

The Trustees consider that there are no uncertainties about the Charity's ability to continue as a going concern.

(b) **Significant judgements and estimates**

- Unsecured loans to beneficiaries - unsecured loans are provided for in full by expensing them as grants made in the year in which they are granted. Any subsequent repayments are credited against grants paid in the year of receipt. The Trustees do not consider the recoverability of these loans to be sufficient enough to justify recognition of these loans as an asset on the balance sheet.
- Useful lives of depreciable assets - the annual depreciation charge is sensitive to changes to the estimated useful lives and residual values of assets. The useful lives and residual values are reassessed annually and amended where necessary.

(c) **Income recognition**

Income is recognised once the RMBF has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

In practice donations are generally recognised on a cash received basis. The tax credits on gift aided donations are recognised in the same financial year as the income to which they relate.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash, recognition is subject to the value of the gift being reliably measurable with a degree of accuracy and the title to the asset having been transferred to the RMBF.

Dividends receivable are recognised once the dividend has been declared and notification has been received of the dividend due. Interest on fixed interest securities and bank deposits is accounted for on an accruals basis.

**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**1. ACCOUNTING POLICIES (Continued)**

(d) **Expenditure recognition**

Grants are awarded to beneficiaries in the furtherance of the charitable objects of the RMBF. Grants are recognised as expenditure in the financial year in which they are approved by the Grants and Awards Committee and the offer is conveyed to the beneficiary. Where grants are subject to conditions, they are only recognised to the extent that those conditions have been met at the year end. Grants awarded but not yet paid are recorded in creditors.

Unsecured loans to beneficiaries are accounted for as an expense in the year in which they are granted and any subsequent repayment is credited against grants awarded in the year of receipt. Unsecured loans are not deemed sufficiently recoverable to justify recognition as an asset on the balance sheet.

Other liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis.

All expenses are allocated or apportioned to the applicable expenditure headings. Where possible, costs are allocated to activities on an actual basis. Where actual allocation is not possible, costs are apportioned on the basis of staff time.

Support costs are those functions that assist the work of the Charity but do not undertake charitable activities. Support costs include back office costs, finance and IT and governance costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. This includes costs related to statutory audit and legal fees together with an apportionment of staff time.

The RMBF is not registered for VAT and is unable to recover input tax. Expenditure therefore includes VAT where incurred.

(e) **Investments**

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The investments held by RMBF, other than forward foreign exchange contracts, fall under the category of basic financial instruments.

Forward foreign exchange contracts were formerly held as part of our investment strategy and were used by one of the fund managers to mitigate the foreign currency risk of certain holdings in overseas securities. The fair value of forward currency contracts was calculated by reference to current forward exchange contracts with similar maturity profiles.

All gains and losses are taken to the statement of financial activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase price if acquired after the beginning of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the statement of financial activities.

**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

**1. ACCOUNTING POLICIES (Continued)**

(f) **Financial instruments**

Except as indicated above, the RMBF only has financial assets and liabilities of a kind that qualify as basic financial instruments, for example debtors, bank deposits and creditors. These are initially recognised at transaction value and subsequently valued at settlement value.

(g) **Depreciation of tangible fixed assets**

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. Freehold land is not depreciated. Freehold property is accounted for on a component cost basis with each component being depreciated over its estimated economic life as shown below.

**Freehold property**

Fabric of building	60 years
Roof	25 years
Windows	15 years
Partitioning	10 years

**Other assets**

Furniture, fixtures and fittings	10 years
Office equipment	4 years
Computer hardware and software	3 to 5 years

(h) **Social investments**

Secured loans to beneficiaries for charitable purposes are accounted for as a social investment. These are stated at the amount originally paid out with the carrying amount reduced in subsequent years to reflect repayments and adjusted if necessary for any impairment.

(i) **Restricted funds**

Restricted funds represent amounts bequeathed or donated to further objects which, whilst similar to the RMBF's objects, are subject to certain restrictions imposed by the donor (note 16).

(j) **Pension costs**

Pension costs comprising employer contributions for current employees in the defined contribution scheme are allocated to the applicable expenditure heading. The total paid in respect of the year is disclosed in the employee costs note (note 7).

**2. DONATIONS AND LEGACIES**

	2020			2019		
	Unrestricted funds £	Restricted funds £	Total £	Unrestricted funds £	Restricted funds £	Total £
Donations	339,995	27,500	367,495	324,695	8,869	333,564
Legacies	465,114	-	465,114	140,731	-	140,731
	<b>£805,109</b>	<b>£27,500</b>	<b>£832,609</b>	<b>£465,426</b>	<b>£8,869</b>	<b>£474,295</b>

The RMBF operates almost entirely within the UK.

Donations are stated inclusive of tax recoverable on amounts received under Gift Aid.

The RMBF has been notified of its entitlement to a further instalment of a legacy, but is currently uncertain as to the amount of the payment to be received and therefore no income has been accrued.



**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

**3. INVESTMENT INCOME**

	2020			2019		
	Unrestricted funds £	Restricted funds £	Total £	Unrestricted funds £	Restricted funds £	Total £
Dividends and interest from managed funds	486,818	50,372	537,190	556,359	49,381	605,740
Other interest	19,842	61	19,903	11,728	34	11,762
	<b>£506,660</b>	<b>£50,433</b>	<b>£557,093</b>	<b>£568,087</b>	<b>£49,415</b>	<b>£617,502</b>

**4. EXPENDITURE ON CHARITABLE ACTIVITIES**

**Support for doctors**

	2020			2019		
	Unrestricted funds £	Restricted funds £	Total £	Unrestricted funds £	Restricted funds £	Total £
Grants awarded	538,134	49,748	587,882	573,126	50,758	623,884
Less: Unsecured loans repaid	(2,205)	-	(2,205)	( 580)	-	( 580)
<i>Net grants awarded</i>	<b>535,929</b>	<b>49,748</b>	<b>585,677</b>	572,546	50,758	623,304
Providing advice	54,643	915	55,558	68,544	375	68,919
Casework	191,946	-	191,946	163,379	-	163,379
Coach mentoring	10,986	-	10,986	7,300	-	7,300
Volunteer management	77,965	-	77,965	81,385	-	81,385
Raising awareness	95,986	2,073	98,059	110,320	5,383	115,703
Support costs	291,568	-	291,568	297,433	-	297,433
	<b>£1,259,023</b>	<b>£52,736</b>	<b>£1,311,759</b>	<b>£1,300,907</b>	<b>£56,516</b>	<b>£1,357,423</b>

**5. EXPENDITURE ON RAISING FUNDS**

**Support for doctors**

	2020 Unrestricted funds £	2019 Unrestricted funds £
Trading	24,400	6,348
Fundraising costs	99,826	104,529
Support costs	56,497	58,691
	<b>£180,723</b>	<b>£169,568</b>

**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

**6. SUPPORT COSTS**

	<b>2020</b>	<b>Total</b>		<b>2019</b>	<b>Total</b>
	<b>Raising funds</b>	<b>Support for doctors</b>		<b>Raising funds</b>	<b>Support for doctors</b>
	<b>£</b>	<b>£</b>		<b>£</b>	<b>£</b>
Finance and IT	<b>36,494</b>	<b>145,974</b>		37,636	150,543
Premises	<b>8,335</b>	<b>33,341</b>		8,451	33,805
Office administration	<b>11,668</b>	<b>46,671</b>		12,604	50,418
Governance	-	<b>65,582</b>		-	62,667
	<b>£56,497</b>	<b>£291,568</b>		£58,691	£297,433
		<b>£348,065</b>			£356,124

Support costs include staff costs and other expenses relating to these activities, which are allocated on the basis of staff time.

**7. EMPLOYEE COSTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Salaries	<b>477,390</b>	452,580
National Insurance contributions	<b>48,767</b>	46,350
Defined contribution pension costs	<b>69,569</b>	65,192
	<b>£595,726</b>	£564,122
	<b>Number</b>	<b>Number</b>
The average monthly number of employees during the year (excluding Trustees) was:		
Head count	<b>12</b>	12
Full time equivalent	<b>10.2</b>	9.7
Employees who earned in excess of £60,000 had earnings in the following bands:		
£90,001 to £100,000	<b>1</b>	1

The Trustees were not paid and did not receive any benefits from employment or other services supplied to the Charity during the year (2019: £nil). They are reimbursed expenses if they submit a claim. Reimbursed expenses during the year amounted to **£2,643** (2019: £2,517).

The key management personnel comprise the Trustees, the Chief Executive Officer and the Finance and IT Manager. The total employee benefits of the key management personnel (including National Insurance and pension costs) were **£192,662** (2019: £188,005).

In addition, 192 volunteers across the UK also gave their services, contributing in particular to the RMBF's charitable work and its fundraising. No value is reflected in the accounts for these donated services. The reimbursed expenses to volunteers amounted to **£5,763** (2019: £9,646).

**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**8. NET EXPENDITURE**

Net expenditure for the year (2019: net income) is stated after charging/(crediting):

	2020		2019	
	£	£	£	£
Depreciation		<b>27,483</b>		24,569
Auditors' remuneration (including VAT)				
- Audit	<b>7,920</b>		7,800	
- Other services	<b>1,650</b>		1,620	
		<b>9,570</b>		9,420
Gain on disposal of tangible fixed assets		<b>(1,580)</b>		-

**9. TANGIBLE FIXED ASSETS**

	Freehold property £	Furniture, fixtures and fittings £	Office equipment £	Computer equipment and software £	Total £
<b>Cost</b>					
At 1 <sup>st</sup> April 2019	<b>371,675</b>	<b>62,311</b>	<b>22,312</b>	<b>86,308</b>	<b>542,606</b>
Additions	-	<b>4,425</b>	<b>2,612</b>	<b>10,630</b>	<b>17,667</b>
Disposals	-	-	<b>(1,543)</b>	<b>(5,563)</b>	<b>(7,106)</b>
At 31 <sup>st</sup> March 2020	<b>371,675</b>	<b>66,736</b>	<b>23,381</b>	<b>91,375</b>	<b>553,167</b>
<b>Depreciation</b>					
At 1 <sup>st</sup> April 2019	<b>177,150</b>	<b>35,752</b>	<b>19,641</b>	<b>64,348</b>	<b>296,891</b>
Eliminated on disposal	-	-	<b>(1,233)</b>	<b>(5,563)</b>	<b>(6,796)</b>
Charge for the year	<b>6,922</b>	<b>4,009</b>	<b>1,535</b>	<b>15,017</b>	<b>27,483</b>
At 31 <sup>st</sup> March 2020	<b>184,072</b>	<b>39,761</b>	<b>19,943</b>	<b>73,802</b>	<b>317,578</b>
<b>Net book value</b>					
At 31 <sup>st</sup> March 2020	<b>187,603</b>	<b>£26,975</b>	<b>£3,438</b>	<b>£17,573</b>	<b>£235,589</b>
At 31 <sup>st</sup> March 2019	£194,525	£26,559	£2,671	£21,960	£245,715

The freehold property is the RMBF's registered office in Wimbledon.

All tangible fixed assets are used in the furtherance of the RMBF's charitable objects.

**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

**10. INVESTMENTS**

	Unrestricted funds £	2020 Restricted funds £	Total £	Unrestricted funds £	2019 Restricted funds £	Total £
<b>Investments at market value</b>						
Market value at 1 <sup>st</sup> April 2019	28,126,238	1,505,591	29,631,829	27,603,615	1,395,475	28,999,090
Cost of additions	18,635,037	-	18,635,037	9,303,702	-	9,303,702
Proceeds of disposal	(18,646,144)	-	(18,646,144)	(9,934,983)	-	(9,934,983)
Realised gains on disposal	904,144	-	904,144	217,166	-	217,166
Unrealised increase/(decrease) in market value	(1,831,429)	(50,951)	(1,882,380)	936,738	110,116	1,046,854
<b>Market value at 31<sup>st</sup> March 2020</b>	<b>27,187,846</b>	<b>1,454,640</b>	<b>28,642,486</b>	28,126,238	1,505,591	29,631,829
<b>Cash held under investments</b>						
Held by investment managers	120,135	-	120,135	714,934	-	714,934
Shawbrook Bank CAF 12 Month Fixed Rate Saver	630,554	-	630,554	622,462	-	622,462
Virgin Money Charity Deposit Account	500,065	-	500,065	500,065	-	500,065
	<b>£28,438,600</b>	<b>£1,454,640</b>	<b>£29,893,240</b>	£29,963,699	£1,505,591	£31,469,290

Unrestricted funds consist of listed investments managed on behalf of the Charity by Newton Investment Management Limited and CCLA Fund Managers Limited, listed investments in Exchange Traded Funds and Exchange Traded Commodities and cash held on deposit with CCLA, Shawbrook Bank and Virgin Money.

As at 31<sup>st</sup> March 2020, the units in the funds managed by Newton were valued at **£17,879,528** (2019: £18,664,710), the units in the fund managed by CCLA were valued at **£5,687,795** (2019: £nil) and other listed investments were valued at **£3,620,522** (2019: £nil). During the year all of the investments managed by Ruffer LLP were sold (2019: £10,176,462).

The following investments represented more than 5% of the value of the total unrestricted fund investment portfolio at 31<sup>st</sup> March 2020:

Name of fund	% of portfolio	
	2020	2019
Newton Growth Fund for Charities X Shares	46.5%	62.3%
BNY Mellon Sustainable Real Return Fund	16.4%	-
CCLA COIF Charities Investment Fund	20.0%	-
iShares USD TIPS ETF GBP	6.8%	-
Ruffer SICAV Fixed Income	-	8.4%

The 12 Month Fixed Rate Saver account with Shawbrook Bank pays interest at 1.4% per annum and matures on 10 July 2020.

All of the restricted funds' investments are held in COIF Charities Investment Fund income units, managed by CCLA Fund Managers Limited.

Realised gains and losses on disposal and unrealised increases and decreases in market value are derived from both investments and forward foreign exchange contracts. The latter were used by a former fund manager to mitigate the foreign currency risk of certain overseas securities.

**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**11. SOCIAL INVESTMENTS**

	<b>2020</b>	2019
Secured loans to beneficiaries	<b><u>£555,035</u></b>	<u>£576,235</u>

These interest free concessionary loans are made wholly to advance charitable purposes for the benefit of the RMBF's beneficiaries. No new loans were made during the year and £21,200 was repaid (2019: new loans of £20,000 advanced and £46,200 repaid).

Loans are usually recovered from beneficiaries' estates although beneficiaries may opt to make earlier repayment. They are therefore not recoverable within one year.

**12. DEBTORS**

	<b>2020</b>	2019
	<b>£</b>	£
Legacies	<b>175,000</b>	5,000
Tax recoverable under Gift Aid	<b>5,564</b>	5,134
Other debtors	<b>12,253</b>	1,469
Prepayments	<b>30,016</b>	30,564
Accrued income	<b>84,294</b>	139,582
	<b><u>£307,127</u></b>	<u>£181,749</u>

**13. CASH AT BANK AND IN HAND**

	<b>2020</b>	2019
	<b>£</b>	£
Bank current accounts	<b>17,818</b>	8,915
Cash on deposit – less than 24 hours' notice	<b>816,410</b>	1,034,311
Cash on deposit – more than 24 hours' notice	<b>502,451</b>	-
Cash in hand	<b>2,031</b>	1,092
	<b><u>£1,338,710</u></b>	<u>£1,044,318</u>

Bank current accounts include **£6,473** (2019: £7,619) held by the guilds.

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	2019
	<b>£</b>	£
Bank overdraft	-	1,148
Grants payable	<b>95,588</b>	89,970
Other creditors	<b>29,843</b>	21,094
Accruals	<b>38,210</b>	71,830
Deferred income	<b>30,000</b>	-
	<b><u>£193,641</u></b>	<u>£184,042</u>

The RMBF does not have an overdraft facility. The overdrawn position in 2019 was a book overdraft reflecting payments submitted but not cleared at the year end with the position being covered by short term deposits.

**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**15. UNRESTRICTED RESERVES**

	Accumulated funds £	Revaluation reserve £	Designated reserve £	Total £
Balance at 1 <sup>st</sup> April 2018	27,591,116	3,603,154	-	31,194,270
Net movement in funds	528,692	-	-	528,692
Transfers between reserves	(328,256)	328,256	-	-
Balance at 31 <sup>st</sup> March 2019	27,791,552	3,931,410	-	31,722,962
Net movement in funds	<b>(1,171,451)</b>	-	-	<b>(1,171,451)</b>
Transfers between reserves	<b>2,337,472</b>	<b>(2,437,472)</b>	<b>100,000</b>	-
Balance at 31 <sup>st</sup> March 2020	<b>£28,957,573</b>	<b>£1,493,938</b>	<b>£100,000</b>	<b>£30,551,511</b>

The designated reserve has been set up to meet the cost of research into unmet need.

**16. RESTRICTED FUNDS**

		Investments at market value £	Net current assets £	2020 Total net assets £	2019 Total net assets £
Bessie Jane Giffen Bequest	23,921	354,577	(9)	354,568	366,969
Burney Yeo Bequest	35,498	526,189	(52)	526,137	544,479
Lilla Rose Fund	3,002	44,497	10,035	54,532	54,550
The Job Trust	10,314	152,891	18,647	171,538	174,058
Essex and Herts Benevolent Fund	13,709	203,210	(138)	203,072	210,317
Devon and Exeter Benevolent Medical Society Fund	3,721	55,156	(276)	54,880	54,900
Henry Francis Burdett Memorial Fund	-	-	19,803	19,803	19,803
Eastes Permanent Endowment Fund *	7,969	118,120	47	118,167	122,052
Tod Endowment Trust **	-	-	61,818	61,818	61,806
Mrs EMM Paton's Trust ***	-	-	34	34	1,369
BMA Giving	-	-	20,000	20,000	-
	<b>98,134</b>	<b>£1,454,640</b>	<b>£129,909</b>	<b>£1,584,549</b>	<b>£1,610,303</b>

**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**16. RESTRICTED FUNDS (Continued)**

**MOVEMENT IN FUNDS**

	At 1 <sup>st</sup> April 2019 £	Movement in market value of investments £	Incoming resources £	Resources expended £	At 31 <sup>st</sup> March 2020 £
Bessie Jane Giffen Bequest	366,969	(12,419)	12,278	(12,260)	354,568
Burney Yeo Bequest	544,479	(18,431)	18,221	(18,132)	526,137
Lilla Rose Fund	54,550	(1,559)	1,541	-	54,532
The Job Trust	174,058	(5,355)	5,335	(2,500)	171,538
Essex and Herts Benevolent Fund	210,317	(7,117)	7,049	(7,177)	203,072
Devon and Exeter Benevolent Medical Society Fund	54,900	(1,932)	1,912	-	54,880
Henry Francis Burdett Memorial Fund	19,803	-	-	-	19,803
Eastes Permanent Endowment Fund *	122,052	(4,138)	4,097	(3,844)	118,167
Tod Endowment Trust **	61,806	-	7,500	(7,488)	61,818
Mrs EMM Paton's Trust ***	1,369	-	-	(1,335)	34
BMA Giving	-	-	20,000	-	20,000
	<b>£1,610,303</b>	<b>£(50,951)</b>	<b>£77,933</b>	<b>£(52,736)</b>	<b>£1,584,549</b>

\* This fund was a separate charity with its own trustees who chose to donate funds to the RMBF for restricted purposes. With Charity Commission consent, the Eastes Trust was wound up and part of its net assets transferred to the RMBF and these are designated as the Eastes Permanent Endowment Fund above.

\*\* This fund is a Scottish charity with its own trustees which donates funds to the RMBF for restricted purposes.

\*\*\* This is a separate trust which owns seven properties in St. Andrews, which are let at reduced rents to retired General Medical Practitioners or their widows or dependants. The terms of the Trust Deed state that if there is a surplus of rental income in any year this will be divided equally among the RMBF, the Episcopal Church and the Church of Scotland.

The income of the Bessie Jane Giffen Bequest, the Burney Yeo Bequest and the Lilla Rose Fund consists entirely of dividends on COIF Charities Investment Fund income units. The income of the Job Trust, the Essex and Herts Benevolent Fund, the Devon and Exeter Benevolent Medical Society Fund and the Eastes Permanent Endowment Fund includes dividends on COIF units and small amounts of bank interest. The income from the Tod Endowment Trust, Mrs EMM Paton's Trust and BMA Giving comes from donations.

The expenditure charged against each restricted fund consists of grants paid to beneficiaries, money advice given and other expenditure made in accordance with the restrictions imposed by the terms of the gift or bequest.

**OBJECTS**

**Bessie Jane Giffen Bequest**

The fund was established under the will of Bessie Jane Giffen in 1948 and may be applied to provide relief of indigent doctors in such ways as the Trustees think fit.

**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

**16. RESTRICTED FUNDS (Continued)**

**Burney Yeo Bequest**

This fund was established under the will of Burney Yeo in 1915 and may be applied to provide annuities for necessitous, aged or disabled persons who are or have been members of the medical profession, their wives, widows, children or dependants.

**Dr H.E. Durham Bequest**

The fund was established under the will of Dr H.E. Durham in 1946 and may be applied to provide assistance to persons of professional class and status who in the course of their career have been afflicted with total or partial loss of vision. The money has now been spent so there is no balance to carry forward.

**Lilla Rose Fund**

The fund was established by donations. The income arising on the fund may be applied to the payment of nursing home fees.

**The Job Trust**

Income from the trust may be applied to assist the daughters of doctors with professional or vocational education.

**Essex and Herts Benevolent Fund**

Income from the fund can be applied to assist medical practitioners and their widows who practised in Essex and Hertfordshire.

**Devon and Exeter Benevolent Medical Society Fund**

Income from the fund can be applied to assist medical practitioners and their widows who practised in Devon and Exeter.

**Henry Francis Burdett Memorial Fund**

Income from the fund can be applied to assist widows and daughters of medical men who have practised either in Warwickshire or Leicestershire.

**Eastes Permanent Endowment Fund**

The Eastes Trust Fund represents restricted income donated by the Eastes Trust to the RMBF and can be applied to assist registered members of the medical profession of any age, born of English or Scottish parents, or widows, children and/or full orphans of a member of the profession.

**Tod Endowment Trust**

Income from the fund can be applied to allow doctors who have been resident in Scotland and have worked in medicine for at least two years to obtain rest and recuperation in Scotland.

**Mrs EMM Paton's Trust**

Income from the fund can be applied to assist retired General Medical Practitioners or their widows or dependants, with a preference for those resident in Scotland.

**BMA Giving**

The fund may be applied to offset the costs of the RMBF Back to Work project.



**NOTES FORMING PART OF THE ACCOUNTS (Continued)**  
FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2020

**16. RESTRICTED FUNDS (Continued)**

**COMPARATIVE MOVEMENT IN FUNDS**

	At 1 <sup>st</sup> April 2018 £	Movement in market value of investments £	Incoming resources £	Resources expended £	At 31 <sup>st</sup> March 2019 £
Bessie Jane Giffen Bequest	340,163	26,841	12,037	(12,072)	366,969
Burney Yeo Bequest	504,585	39,833	17,863	(17,802)	544,479
Dr H.E. Durham Bequest	3,910	-	-	(3,910)	0
Lilla Rose Fund	49,671	3,368	1,511	-	54,550
The Job Trust	161,272	11,574	5,212	(4,000)	174,058
Essex and Herts Benevolent Fund	194,882	15,383	6,905	(6,853)	210,317
Devon and Exeter Benevolent Medical Society Fund	48,852	4,175	1,873	-	54,900
Henry Francis Burdett Memorial Fund	19,803	-	-	-	19,803
Eastes Permanent Endowment Fund	113,216	8,942	4,014	(4,120)	122,052
Tod Endowment Trust	62,065	-	7,500	(7,759)	61,806
Mrs EMM Paton's Trust	-	-	1,369	-	1,369
	<b>£1,498,419</b>	<b>£110,116</b>	<b>£58,284</b>	<b>£(56,516)</b>	<b>£1,610,303</b>

**17. PENSION SCHEME**

The RMBF operates a defined contribution plan for all eligible employees who do not opt out of the pension scheme. Contributions are made by both employer (at 15% of pensionable salary) and employees at variable levels. Once the contributions have been paid the RMBF has no further payment obligations.

The assets of the scheme are held separately from those of the RMBF in an independently administered pension trust.

**18. TAXATION STATUS**

The RMBF is a registered charity and is exempt from corporation tax on income applied to charitable activities.

**19. RELATED PARTY TRANSACTIONS**

Six trustees made unrestricted donations to the RMBF during the year totalling **£865** (2019: five trustees made unrestricted donations totalling £750).

During the year the RMBF made payments totalling **£26,000** (2019: £40,000) to Doctor Health Limited ("DocHealth"), as a contribution to their work providing confidential, specialist-led support for doctors experiencing mental health issues. One of the RMBF trustees, Heather Mellows, and the RMBF Chief Executive, Steve Crone, are both directors of DocHealth. Neither Miss Mellows nor Mr Crone receives any remuneration from DocHealth.

**20. CAPITAL COMMITMENTS**

There were no capital commitments at 31<sup>st</sup> March 2020 (2019: £ Nil).