

Company number: 07941827

Charity number: 1146162

Royal Society of Tropical Medicine and Hygiene
Report and Financial Statements
31 March 2017



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Reference and administrative details

Charity number	1146162
Company number	07941827
Registered office and operational address	Northumberland House 303-306 High Holborn London WC1V 7JZ
Trustees	<p>President Dr Simon Cathcart FFPH MB BCh DTM&H MSc</p> <p>Vice-President Professor Sarah Rowland-Jones MA BM BCh FRCP FMedSci</p> <p>Honorary Treasurer Mr Trevor Ellis ACMA MBA</p> <p>Trustees Mr Simon Bush BA MSc Dr Sharon Cox BSc MSc PhD (from 14th March 2017) Dr Patrick Cross PhD Dr John Dusabe BSc MSc PhD (to 14th March 2017) Professor Alison Grant BA MBBS MSc PhD FRCP DTM&H Professor Kara Hanson BA MPhil PhD Dr Wendy Harrison BVet Med MPH PhD MRCVS (from 14th March 2017) Professor Simon Hay DPhil (Oxon) CBiol FSB FRGS FRSPSoc (to 21st December 2016) Dr Judy MacArthur Clark CBE DVMS DLAS DipECLAM ACLAM(h.m.) FRSB FRAGS FRCVS Dr Christopher Parry BA (Hons) MB BChir PhD FRCP FRCPath (from 14th March 2017) Dr Marta Tufet PhD Professor Nynke van den Broek MBBS FRCOG PhD (to 14th March 2017)</p>
Chief Executive	Ms Gerri McHugh MA MSc MBA (to 29 th July 2016) Tamar Ghosh BSc MSc MBA (from 14 th September 2016)
Bankers	National Westminster Bank plc 1 Cavendish Square London W1A 4NU
Investment Managers	Eden Investment Management Beaufort House Brunswick Road Gloucester GL1 1JZ Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Solicitors	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Auditors	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Report of the Trustees

For the year ended 31 March 2017

The Trustees present their report and the audited financial statements for the year ended 31 March 2017. Reference and administrative details on page 3 form part of this report.

The financial statements have been prepared on the accounting policies set out in note 1 to the financial statements and comply with the Society's Memorandum and Articles of Association, applicable law and the requirements of the FRS102.

Structure and governance

The Royal Society of Tropical Medicine and Hygiene registered charity 1146162 is a professional body founded in 1907. Its objects are to promote and advance the study, control and prevention of disease in man and other animals in the tropics and in disadvantaged communities around the globe by facilitating discussion and the exchange of information among those who are interested in the diseases of such communities.

The charity is constituted under the Memorandum & Articles of the Society as revised and adopted at the EGM of 14 December 2011. It is a charitable company, incorporated in the United Kingdom.

The Board of Trustees, supported by its Committees (Finance & Audit, Grants & Awards, Meetings, Education & Training, Editorial Boards) sets the strategic direction of the charity which is further developed and implemented by the RSTMH staff team.

The Board is made up of up to fourteen Trustees, of which no more than nine are elected from the membership base and no more than five (since 14th March 2017) are appointed from outside the membership base, to bring additional expert skills. The authorisation to appoint up to two additional trustees, bringing the total from three to five, was passed by Special Resolution at the AGM on the 14th March 2017. Each Trustee is entitled to serve two three-year terms. Trustees receive an induction and have access to external governance training.

Objectives and activities

The Trustees have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Trustees review the aims, objectives and activities of the charity each year. This report looks back at what the charity has achieved and the outcomes of its work within the last twelve months. The Trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it exists to help. The review also helps the Trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

Strategy

RSTMH adopted a new five-year strategic plan in September 2014 with an overarching objective to extend the reach and impact of the charity's work - geographically, politically, demographically and financially.

For the majority of this year we worked to continue to meet the objectives set for this current strategy, however there is a shortfall against key targets, including goals to increase membership. Our new Chief Executive prioritised this shortfall, broadening the work started this year to understand the views of membership of the Society. This piece of work led to a full strategy review involving the Board, team, members of RSTMH and general public. Workshops were carried out alongside over 100 interviews and a survey with over 200 respondents. The initial results of this review propose a new five-year strategy for RSTMH to be launched in 2017. The overarching approach of this new strategy has already been agreed with the Board and is focused on closer engagement with our members and other supporters. Full details of the new strategy, including any changes to our objectives and strategies, along with key performance indicators, are still being developed and will be confirmed in autumn of 2017.

Impact measurement is an area where we want to see strong improvement, and this will be a strong feature in our goals and measures looking forwards.

The achievements and performance noted below, for this financial year, are focused on meeting the objectives of the current strategy.

Achievements and performance

Specific objectives of the current strategy include:

- Facilitating discussion, debate and learning through the provision of high-quality journals and meetings using the latest technology to extend the reach of RSTMH content across the globe;
- Resource learning and career development by investing at least £400,000 per annum in educational activity including meetings, grants and awards by 2019;
- Achieve a more balanced and representative fellowship demographically and geographically and by growing the fellowship base by at least 5% year on year from 1,334 to 1,750 by 2019;
- Promote and positively influence the work of people working in tropical medicine and global health by developing an authoritative voice on a wide range of policy issues;

The strategies employed to achieve these objectives were defined by the Board of Trustees in December 2013 and are set out below. Each strategy aims to address one or more of the objectives:

1. Engaging more effectively with Fellows and potential Fellows

The new website was populated with blogs and we have a link to our twitter account, showing recent tweets. The new functionality around our events have improved our subscription and ticket sales functions. The fortnightly HTML newsletter continues, and is now distributed to over 5,000 contacts on the database, with updates on forthcoming RSTMH meetings, information about the small grants programme and overviews of journal content, such as new issues and web collections.

Our progress towards engaging more effectively with Fellows and potential Fellows is further described in each of the sections below.

2. Developing meetings activity

Meetings this year included:

- Research meeting in association with African Academy of Sciences, Kenya (July 2016)
- Biennial meeting - Challenges in Disease Elimination, Cambridge (September 2016)
- Research in Progress and Manson Christmas Lecture, London (December 2016)
- Migrant Health, London (December 2016)
- Topics in Infection, London (January 2017)

Plans for the next financial year include an Annual Meeting on Planetary Health and our first East African Research in Progress, both in September, Research in Progress meeting in December 2017, and our annual Topics in Infection meeting in January 2018. We are also planning numerous events to showcase our new strategy in London, Liverpool, Brighton and Southampton, in the US, East Africa and India and through our partners in Belgium, and Thailand.

3. Developing RSTMH journals

This year we carried out an expert review of the model for our journals, due to financial underperformance, and a concern around submissions dropping for one journal. Operationally, the focus this year continued to be on extending the reach and impact of our journal content by further developing our commissioning effort which is now 25-30% across both journal titles. We also continued our work on strengthening both Editorial Boards, achieving 25 members on *International Health* and 26 members on *Transactions*. We published two special themed issues of *Transactions* and a commissioned ethics series and paid Supplement for *International Health*, and three themed web collections. The Impact Factor for *Transactions* fell slightly from 1.839 to 1.631 but increased for *International Health* from 1.299 to 1.621; we hope to continue to improve both of these in 2017/8.

Plans for next year include producing three themed web collections, themed special issues on Surveillance (*International Health*) and Resilience in infectious diseases: a One Health approach (*Transactions*), and a Supplement with the Mectizan Donation Program on onchocerciasis.

4. Developing a distinct grant-making focus

We disbursed £108,469 in small grants and travel/training scholarships, as per our plans to increase these from last year (£49,704)

In addition we awarded the following RSTMH medals and prizes:

- Emerging Leaders Award, to Dr Kebede Deribe
- Sir Patrick Manson Medal, to Baron Professor Peter Piot
- Donald Mackay Award, to Professor Moses Bockarie
- Chalmers Medal, to Professor Abdisalan Noor

5. Developing an authoritative voice on policy matters

Plans continued to establish RSTMH as an authoritative voice on policy matters, and engagement has started with a number of stakeholders. Further details on plans for this area will be included in the refreshed strategy next year. This will also utilise the expertise of the 2 trustees appointed last year, with this experience.

Future plans

As mentioned above the initial results of a multi-stakeholder Strategy Review by the new Chief Executive proposes a new five-year strategy for RSTMH to be launched in 2017. The overarching approach of this new strategy is focused on closer engagement with our members and other supporters. It will involve us establishing new plans and objectives, with priority themes of work, geographical areas, and new ways of working. The Strategy Review also encompasses looking at how we describe ourselves and our work.

Better alignment of our activities to achieve better overall impact, and general impact measurement are also areas we want to focus on, and this will be a strong feature in our goals and measures looking forwards.

Full details of the new strategy will be confirmed in the autumn of 2017.

Governance

Three new Trustees, Drs Christopher Parry, Sharon Cox and Wendy Harrison joined the Board by election in March 2017. Dr Simon Cathcart continues in his term as President and Professor Sarah Rowland-Jones continues as Vice-President. All Trustees undertake to complete ongoing governance training and a regular calendar of training events is made available. Four Trustees completed at least one training course this year.

Financial review

Total funds decreased by £64,432 to £3,220,950. Total income this year was £447,512, up £56,162 on last year, due to the biennial meeting taking place this year, which also accounts for the majority of the increase in expenditure this year. A significant element of our total funds each year is the net gain or loss on our investments. This year a favourable return of £269,163 compared with a net loss of £235,445 last year, has helped to secure a more positive overall position. Plans to maximise income generation and a full review of our costs will be a priority as we develop our new strategy.

Risk policy

The Trustees will continue to review the major risks to which the Society is exposed and identify measures to be put in place to mitigate those risks prospectively. This year the main risks have included membership attrition, underperformance of our journals, and a change in our Chief Executive. Membership attrition is under review, starting with the membership survey we carried out, but also through our wider strategy review. We undertook an external review of the business model for our journals, and we are soon to recruit additional capacity at a senior level, to continue to scope potential changes to this. The change in Chief executive did leave a short gap in leadership, in which the team stepped up their support, along with key Board members. The transition was smooth and we negotiated a graduated start for the new Chief Executive, to minimise disruption.

The risk register is monitored by the Finance and Audit Committee, and formally reviewed quarterly at the Board of Trustees meetings. The Trustees view their position as one of trust in relationship to the Society's financial integrity and continued standing. This relates to all forms of financial probity and extends to their position on fraud. The Trustees recognise that they have, and have always had, a need to ensure that, in all ways, the financial dealings of the Society are transparent and above board. Thus major decisions in relation to the dealings of the Society are extensively discussed by the Trustees.

Fiscal risk

The Society has cash reserves available through its fixed asset investments on deposit that are accessible and represent more than one year's costs at current rates of expenditure. In addition, the portfolio has been split between two investment management houses.

Remuneration policy

The Society bases remuneration on levels offered in charities of similar size, structure and scope. The remuneration of Key Management Personnel is disclosed at Note 5.

The Society will review, update and formalise its remuneration policy as part of its strategy review, taking into account the recommendations of the NCVO Inquiry of Executive Pay (April 2014).

Reserves policy

The overarching reserves policy will be reviewed next year in line with the new strategy and corresponding budget and risk profile. This will include the setting of a free reserves policy.

Charity Commission requirements indicate that capital sums should be invested to achieve capital growth to defray the effects of inflation. Trustees specified this in the investment mandate with £3M invested in a range of assets which could be readily liquidated if the need were to arise. The cash reserves are considered adequate and available to meet expenses arising from continuing activities for a four to six-month period. As far as possible, we aim to cover the costs of the meetings programme from delegate fees and industry sponsorship where applicable and appropriate.

The restricted fund reserves of the Society comprise £142,857 (£162,361 in 2016) with total unrestricted funds amounting to £3,078,093 (£3,123,021 in 2016), which includes fixed asset investments. Funds are held predominantly in a high interest account and fixed asset investments. The yield from these accounts plus income from subscriptions, meetings and journals profit share are available, and more than needed, to meet our expenses.

Investment policy

The aim of the Society's investment policy is to secure growth in capital value equivalent to UK inflation while achieving a target income of £150,000 per annum. The Society has a policy of not investing in tobacco companies, armaments companies or in companies that make infant formula feeds that are marketed in the tropics and sub-tropics. To the best of the Trustees' knowledge, no investments have been held in institutions which fit these criteria. The investments policy is scheduled for review as part of our new strategy by September 2017. This year we achieved an investment income of £156,105 compared with £171,753 in 2016.

Grant-making policy

The Society launched a new grants round in September 2016, informed by the outcomes and learnings from the 2012-15 interim grants round and the framework of the new five-year strategic plan. Grants are recommended by the Grants Committee and approved by the Trustees. A scoring system is used and applicants with the highest total scores are awarded grants within the available budget.

Statement of the Trustees' responsibilities

Reference and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Financial Reporting Standard (FRS102).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of

- State whether applicable UK Accounting Standards and the FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

In so far as the Trustees are aware:

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

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2017 was 12. The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditors

Kingston Smith LLP were appointed as the charitable company's auditors in March 2016.

The report of the Trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approved by the Trustees on 27 June 2017 and signed on their behalf by



Dr Simon Cathcart - President

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROYAL SOCIETY OF TROPICAL MEDICINE AND HYGIENE

We have audited the financial statements of Royal Society of Tropical Medicine and Hygiene for the year ended 31 March 2017 which comprise [the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland'.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 7 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

Neil Finlayson

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

5/7/2017

Royal Society of Tropical Medicine and Hygiene

Statement of Financial Activities

For the year ended 31 March 2017

	Note	Unrestricted Funds £	Restricted Funds £	2017 Total £	Unrestricted Funds £	Restricted Funds £	2016 Total £
INCOME FROM:							
Donations and legacies	2	600	1,347	1,947	294	1,456	1,750
Charitable activities:							
- <i>Fellows' annual subscriptions</i>		45,473	-	45,473	49,612	-	49,612
- <i>Journals</i>	4	150,924	-	150,924	149,865	-	149,865
- <i>Meetings</i>		62,910	30,000	92,910	16,765	-	16,765
Other income		153	-	153	1,605	-	1,605
Investments	3	156,105	-	156,105	171,753	-	171,753
Total		416,165	31,347	447,512	389,894	1,456	391,350
EXPENDITURE ON:							
Raising funds		23,673	-	23,673	24,738	-	24,738
Charitable activities:							
- <i>Fellows' services</i>	6	136,896	-	136,896	123,851	-	123,851
- <i>Journals</i>		219,335	-	219,335	179,148	-	179,148
- <i>Meetings</i>		248,069	30,000	278,069	151,937	-	151,937
- <i>Grants and awards</i>	15	102,283	20,851	123,134	39,558	22,129	61,687
Total		730,256	50,851	781,107	519,232	22,129	541,361
Net gains/losses on investments	15	269,163	-	269,163	(235,445)	-	(235,445)
Net income/ (expenditure)		(44,928)	(19,504)	(64,432)	(364,783)	(20,673)	(385,456)
Total funds brought forward		3,123,021	162,361	3,285,382	3,487,804	183,034	3,670,838
Total funds carried forward	15	3,078,093	142,857	3,220,950	3,123,021	162,361	3,285,382

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than stated above. Movements in funds are disclosed in Note 15 to the financial statements. There have been no related party transactions in the reporting period.

Royal Society of Tropical Medicine and Hygiene

Balance Sheet

Company No 07941827

As at 31 March 2017

	Note	2017	2016
Fixed Assets:		£	£
Intangible assets	9	17,347	21,860
Tangible assets	9	13,493	18,846
Investments	10	3,249,271	3,296,128
<i>Total fixed assets</i>		<u>3,280,111</u>	<u>3,336,834</u>
Current assets:			
Debtors	11	114,519	152,868
Cash at bank and in hand		15,467	28,989
<i>Total current assets</i>		<u>129,986</u>	<u>181,857</u>
Liabilities:			
Creditors: amounts falling due within one year	12	(178,191)	(220,161)
<i>Net current liabilities</i>		<u>(48,205)</u>	<u>(38,304)</u>
<i>Total assets less current liabilities</i>		<u>3,231,906</u>	<u>3,298,530</u>
Creditors: amount falling due after more than one year	13	(10,956)	(13,148)
Total net assets		<u>3,220,950</u>	<u>3,285,382</u>
Charity Funds:			
Restricted funds	15	142,857	162,361
Unrestricted funds			
Designated funds		45,000	-
General purposes		2,767,669	3,112,916
Revaluation reserve		265,424	10,105
<i>Total unrestricted funds</i>	15	<u>3,078,093</u>	<u>3,123,021</u>
Total charity funds		<u>3,220,950</u>	<u>3,285,382</u>

These financial statement have been prepared in accordance with FRS102 for Charities.

Approved by the Directors on

Signed on their behalf by

27/06/2017

Trevor Ellis

Mr Trevor Ellis ACMA MBA

Royal Society of Tropical Medicine and Hygiene
Notes to the financial statements
For the year ended 31 March 2017

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit company for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

b) Going concern

The trustees have assessed the charity's ability to continue as a going concern and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on general fee income. After making enquiries, the trustees have concluded that there are reasonable expectations that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

c) Tangible fixed assets

Tangible fixed assets are capitalised at cost if over £ 1,000.

Depreciation is calculated by reference to the cost of fixed assets using rates considered appropriate having regard to the expected lives of the fixed assets. The annual rates in use are:

Office refurbishment	10% straight line
Furniture and equipment	20% straight line

d) Intangible fixed assets

Intangible fixed assets are capitalised at cost if over £ 1,000.

Amortisation is calculated by reference to the cost of fixed assets using rates considered appropriate having regard to the expected lives of the fixed assets. Current annual rates in use are:

Intangible assets	20% straight line
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e) Incoming resources

All incoming resources that become available to the Society are included in the statement of financial activities as soon as receivable. Royalties are accounted for when declared due by the relevant printers and publishers.

Royal Society of Tropical Medicine and Hygiene
Notes to the financial statements
For the year ended 31 March 2017

1. Accounting policies (continued)

Interest received on the investments is attributed to Unrestricted Funds at the year end date.

Fellows' annual subscriptions income is included on a receivable basis with amounts relating to future accounting years deferred as subscriptions in advance.

f) Resources expended

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Due to the change in basis of allocating support costs, the split of costs per the SOFA for 2016 was amended accordingly to be in line with the new basis.

	2017	2016
Fellows' services	24.0%	40.6%
Journals	44.0%	44.1%
Meetings	29.0%	11.9%
Grants/awards	3.0 %	3.4%

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the Society to the expenditure.

g) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of financial activities.

h) Irrecoverable value added tax

VAT on purchases and expenses irrecoverable under the regulations dealing with partially exempt organisations has been charged against miscellaneous expenses.

i) Funds

The funds are segregated between:

Restricted funds – monies set aside for particular awards or purposes in accordance with the instructions of the donor or the terms of an appeal.

Unrestricted funds – undesignated monies retained that provide the working capital to enable the Trustees to carry out the charitable activities or designate for a particular activity.

Unrealised gains and losses are taken to the revaluation reserve whereas realised gains and losses are taken to General Fund.

Royal Society of Tropical Medicine and Hygiene
Notes to the financial statements
For the year ended 31 March 2017

1. Accounting policies (continued)

j) Pension contributions

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

k) Operating leases

The annual rentals on operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

l) Investments

Investments are included in the financial statements at the market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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 the sales proceeds and the opening market value. Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value.

m) Critical accounting estimates and areas of judgement

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

n) Other financial instruments

- ***Cash and cash equivalents***

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

- ***Debtors and Creditors***

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

o) Operating currency

The operating currency of the charity is Pound Sterling and the monetary amounts in the accounts are rounded to the nearest pound.

Royal Society of Tropical Medicine and Hygiene
Notes to the financial statements
For the year ended 31 March 2017

2. Voluntary income

	2017	2016
	£	£
President's Fund	1,347	1,456
General Fund	600	294
	<u>1,947</u>	<u>1,750</u>

3. Investment income

	2017	2016
	£	£
Dividend's – UK equities	156,102	171,750
Interest on cash deposits	3	3
	<u>156,105</u>	<u>171,753</u>

4. Journals

	2016	2016
	£	£
Income from publications	41,998	52,731
Editorial contribution	108,926	97,134
	<u>150,924</u>	<u>149,865</u>

5. Staff costs

Total employment costs for the year comprise:

	2017	2016
	£	£
Salaries and wages	216,245	204,278
Social security costs	17,725	11,742
Pension costs	9,104	12,847
Temporary staff	4,425	17,321
	<u>247,499</u>	<u>246,188</u>

Key management personnel include the Trustees, Chief Executive and Managing Editor. The total employee benefits of the charity's key management personnel were £87,997 (2016: £94,801). No employee received over £60,000 remuneration in the year (2016: 1). Pension payments to these employees were £Nil (2016: £7,272).

The average monthly number of employees (full-time equivalent) during the year was made up as follows:

	2017	2016
	No.	No.
Editorial	2.5	2.4
Finance	1.0	1.2
Administration	2.4	2.6
	<u>5.9</u>	<u>6.2</u>

Royal Society of Tropical Medicine and Hygiene

Notes to the financial statements

For the year ended 31 March 2017

6. Charitable expenditure

	Fellows services £	Journals £	Meetings £	Awards £	Support costs £	2017 £	2016 £
Staff costs (Note 5)	-	-	-	-	247,499	247,499	246,188
Staff training and recruitment	-	-	-	-	22,577	22,577	10,442
Publishing house fee	19,576	-	-	-	-	19,576	27,939
Auditors' fees (Note 8)	-	-	-	-	10,020	10,020	8,500
Trustee expense	-	-	-	-	1,455	1,455	492
Legal and professional fees	-	3,500	-	-	20,977	24,477	3,481
Awards *	-	-	-	108,469	-	108,469	49,704
Promotional expenses/Marketing	-	-	-	-	9,665	9,665	49
Printing and stationery costs	-	-	-	-	2,898	2,898	1,447
Meetings and conferences	-	-	136,307	-	24,531	160,838	49,535
Postage	-	-	-	-	282	282	155
Telephone	-	-	-	-	3,625	3,625	3,118
Bank charges	-	-	-	-	3,271	3,271	2,647
IT costs	-	-	-	-	23,299	23,299	11,967
Other expenses	-	-	-	-	7,576	7,576	9,448
Miscellaneous	-	748	-	-	2,617	3,365	14,368
Insurance	-	-	-	-	1,389	1,389	1,792
Rent, rates, service, security	-	-	-	-	95,287	95,287	62,930
Depreciation	-	-	-	-	11,866	11,866	12,421
	<u>19,576</u>	<u>4,248</u>	<u>136,307</u>	<u>108,469</u>	<u>488,834</u>	<u>757,434</u>	<u>516,623</u>
Support costs	117,320	215,087	141,762	14,665	-	-	-
Total charitable expenditure	<u>136,896</u>	<u>219,335</u>	<u>278,069</u>	<u>123,134</u>	<u>-</u>	<u>757,434</u>	<u>516,623</u>

* All grants paid in the year were awarded to individuals.

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Notes to the financial statements

For the year ended 31 March 2016

6. Charitable expenditure

	Fellows services	Journals	Meetings	Awards	Support costs	2016
	£	£	£	£	£	£
Staff costs	-	103,609	-	-	142,579	246,188
Staff training and recruitment	-	2,704	-	-	7,738	10,442
Publishing house fee	27,939	-	-	-	-	27,939
Auditors' fees	-	-	-	-	8,500	8,500
Trustee expense	-	-	-	-	492	492
Legal and professional fees	-	-	-	-	3,481	3,481
Awards *	-	-	-	49,704	-	49,704
Promotional expense	49	-	-	-	-	49
Printing and stationery costs	-	-	-	-	1,447	1,447
Meetings and conferences	-	-	36,103	-	13,432	49,535
Postage	-	-	-	-	155	155
Telephone	-	-	-	-	3,118	3,118
Bank charges	-	-	-	-	2,647	2,647
IT costs	-	-	-	-	11,967	11,967
Other expenses	-	-	-	-	9,448	9,448
Miscellaneous	-	696	-	-	13,672	14,368
Insurance	-	-	-	-	1,792	1,792
Rent, rates, service, security	-	-	-	-	62,930	62,930
Depreciation	-	-	-	-	12,421	12,421
	27,988	107,009	36,103	49,704	295,819	516,623
Support costs	95,863	72,139	115,834	11,983	-	-
Total charitable expenditure	123,851	179,148	151,937	61,687	-	516,623

* All grants paid in the year were awarded to individuals.

Royal Society of Tropical Medicine and Hygiene
Notes to the financial statements
For the year ended 31 March 2017

7. Pension obligations

The charity makes contributions to employees' defined contribution pension scheme, and a stakeholder scheme. Contributions amounted to £9,104 (2016 - £12,847). At the year end, there were £1,771 contributions outstanding (2016 - £Nil). The assets of the scheme are invested and managed independently of the finances of the Society.

8. Net incoming resources for the year

This is stated after charging:

	2017	2016
	£	£
Depreciation	11,866	12,421
Trustees' expenses	1,455	492
Auditors' remuneration: Current year Audit	8,500	8,200
Non-audit services	1,520	-
Prior year under accrual	-	300
Operating lease rentals: Property	68,300	39,600

The trustees only receive reimbursement for expenses actually incurred in attending meetings. No remuneration is paid to Trustees. The gross amount that has been reimbursed in respect of attendance of board meetings in the year was £ 4,812 for six trustees (2016 - £ 492 for two trustees).

9. Fixed assets

	Intangible assets Website and database	Tangible assets Office refurbishment	Equipment and furniture	Total
	£	£	£	£
Cost				
At the start of the year	43,522	39,662	26,130	109,314
Additions	2,000	-	-	2,000
At the end of the year	45,522	39,662	26,130	111,314
Depreciation				
At the start of the year	21,662	23,796	23,150	68,608
Charge for the year	6,513	3,966	1,387	11,866
At the end of the year	28,175	27,762	24,537	80,474
Net book value				
At the end of the year	17,347	11,900	1,593	30,840
At the start of the year.	21,860	15,866	2,980	40,706

Royal Society of Tropical Medicine and Hygiene
Notes to the financial statements
For the year ended 31 March 2017

10. Investments

Movement in fixed asset investments	2017	2016
	£	£
Market value at the start of the year	3,296,128	3,584,491
Additions at cost	133,977	147,079
Disposals at market value*	(436,156)	(209,971)
Movement in cash	3	3
Unrealised gains/(losses)	255,319	(225,474)
Market value at the end of the year	3,249,271	3,296,128
Historic cost at the end of the year	2,994,484	3,298,531

*Market value calculated as Proceeds of £450,000 (2016: £200,000) and realised gain of £13,844 (2016: realised loss of £9,971).

Investments (at market value at the balance sheet date) comprise:

	2017	2016
	£	£
Fixed interest securities	795,950	928,002
Equities	2,079,449	2,103,962
Unit Trusts	182,938	61,750
Property and other liquid assets	190,886	202,369
Cash	48	45
Total	3,249,271	3,296,128

Investments at market value are geographically analysed between:

	2017	2016
	£	£
UK	1,969,625	1,706,808
Overseas	1,279,646	1,589,320
Total	3,249,271	3,296,128

Investments which constitute more than 5% of the total investment holding are:

	2017	2016
Amity balanced Fund for Charities	50.30%	50.63%
Alpha CIF for Endowments Fund	49.70%	49.37%
Total	100.00%	100.00%

11. Debtors

	2017	2016
	£	£
Other debtors	9,694	19,309
Prepayments	27,740	47,886
Accrued income	71,966	83,407
VAT receivable	5,119	2,266
	114,519	152,868

All debtors above are financial instruments and are measured at settlement value.

Royal Society of Tropical Medicine and Hygiene
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For the year ended 31 March 2017

12. Creditors: amounts falling due within one year

	2017	2016
	£	£
Other creditors and accruals	64,842	106,605
Other taxation and social security	5,754	5,478
Membership subscriptions deferred	23,582	27,156
Editorial contribution deferred	84,013	80,922
	<u>178,191</u>	<u>220,161</u>

All creditors above, with the exception of accruals are financial instruments and are measured at settlement value. Part of the subscription income is deferred as members' annual subscription (paid in advance for 12 months) doesn't coincide with the Charity's financial year. Editorial contribution is deferred as it is paid prior to the year it relates to.

Included in other creditors are amounts owed to the pension scheme of £1,771 (2016: £Nil).

	2017	2016
	£	£
Deferred income b/fwd	108,878	99,675
Released to income in the year	(108,878)	(99,675)
Deferred income in the year	107,595	108,878
Deferred income c/fwd	<u>107,595</u>	<u>108,878</u>

13. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Membership subscriptions deferred	<u>10,956</u>	<u>13,148</u>

Part of the subscription income is deferred for over a year as members have an option to pay for 3 or 5 year subscriptions in advance at a discounted price per annum.

All creditors above are financial instruments and are measured at settlement value.

14. Analysis of net assets between funds

2017	Restricted funds	Unrestricted funds	Revaluation Reserve	Total funds
	£	£	£	£
Intangible fixed assets	-	13,493	-	13,493
Tangible fixed assets	-	17,347	-	17,347
Fixed assets investments	-	2,983,847	265,424	3,249,271
Net current assets/liabilities	142,857	(191,062)	-	(48,205)
Long term liabilities	-	(10,956)	-	(10,956)
	<u>142,857</u>	<u>2,812,669</u>	<u>265,424</u>	<u>3,220,950</u>

Royal Society of Tropical Medicine and Hygiene
Notes to the financial statements
For the year ended 31 March 2017

2016	Restricted funds £	Unrestricted funds £	Revaluation reserve £	Total funds £
Intangible fixed assets	-	21,860	-	21,860
Tangible fixed assets	-	18,846	-	18,846
Fixed assets investments	-	3,286,023	10,105	3,296,128
Net current assets/liabilities	162,361	(200,665)	-	(38,304)
Long term liabilities	-	(13,148)	-	(13,148)
	<u>162,361</u>	<u>3,112,916</u>	<u>10,105</u>	<u>3,285,382</u>

15. Movement in funds

	Balance at 01/04/2016 £	Incoming Resources £	Resources expended £	Investment gains and losses £	Balance at 31/03/2017 £
Restricted Funds					
Chalmers Memorial Fund	2,314	-	-	-	2,314
Chadwick Lecture Fund	2,163	-	-	-	2,163
Sir Leonard Rogers Fund	4,493	-	-	-	4,493
The Robert Cochrane Fund for Leprosy	611	-	-	-	611
President's Fund	21,980	1,347	-	-	23,327
Denis Burkitt Fellowship Fund	107,542	-	(9,930)	-	97,612
Garnham Fund	21,177	-	(9,921)	-	11,256
Centenary Fellowship Appeal Fund	2,081	-	(1,000)	-	1,081
Nairobi meeting Fund	-	20,000	(20,000)	-	-
Biennial meeting Fund	-	10,000	(10,000)	-	-
Total restricted funds	<u>162,361</u>	<u>31,347</u>	<u>(50,851)</u>	-	<u>142,857</u>
Unrestricted Funds					
Revaluation reserve	10,105	-	-	255,319	265,424
Designated Funds:					
Emerging Leaders Award Fund	-	50,000	(5,000)	-	45,000
General funds	<u>3,112,916</u>	<u>366,165</u>	<u>(725,256)</u>	<u>13,844</u>	<u>2,767,669</u>
Total unrestricted funds	<u>3,123,021</u>	<u>416,165</u>	<u>(730,256)</u>	<u>269,163</u>	<u>3,078,093</u>
Total Charity funds	<u><u>3,285,382</u></u>	<u><u>447,512</u></u>	<u><u>(781,107)</u></u>	<u><u>269,163</u></u>	<u><u>3,220,950</u></u>

Royal Society of Tropical Medicine and Hygiene
Notes to the financial statements
For the year ended 31 March 2017

	Balance at 01/04/2015	Incoming Resources	Resources expended	Investment gains and losses	Balance at 31/03/2016
	£	£	£	£	£
<i>Restricted funds</i>					
Chalmers Memorial Fund	2,314	-	-	-	2,314
Chadwick Lecture Fund	2,163	-	-	-	2,163
Sir Leonard Rogers Fund	4,493	-	-	-	4,493
The Robert Cochrane Fund for Leprosy	1,611	-	(1,000)	-	611
President's Fund	20,524	1,456	-	-	21,980
Denis Burkitt Fellowship Fund	109,542	-	(2,000)	-	107,542
Garnham Fund	40,306	-	(19,129)	-	21,177
Centenary Fellowship Appeal Fund	2,081	-	-	-	2,081
Biennial meeting	-	-	-	-	-
Total restricted funds	183,034	1,456	(22,129)	-	162,361
<i>Unrestricted funds</i>					
Revaluation reserve	235,579	-	-	(225,474)	10,105
General funds	3,252,225	389,894	(519,232)	(9,971)	3,112,916
Total unrestricted funds	3,487,804	389,894	(519,232)	(235,445)	3,123,021
Total Charity funds	3,670,838	391,350	(541,361)	(235,445)	3,285,382

Royal Society of Tropical Medicine and Hygiene
Notes to the financial statements
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15. Movement in funds (continued)

Purposes of restricted and designated funds

The Chalmers Memorial Fund was established to support the cost of annual award in recognition of research or outstanding contributions in tropical medicine or hygiene.

The Chadwick Lecture Fund was established to support the cost of a lectureship on some aspect of tropical medicine.

The Sir Leonard Rogers Fund was established to support the cost of overseas initiatives or expeditions to tropical countries by medical or science students.

The Robert Cochrane Fund for Leprosy was established to support three travel awards a year in order to obtain or provide practical training in fieldwork or in research into leprosy.

The President's Fund was established to support the subscription cost for deserving applicants from developing countries.

The Denis Burkitt Fellowship Fund was established to support the cost of two awards a year for practical training, travel or direct assistance in relation to specific fieldwork.

The Garnham Fund was established to support the cost of an annual fellowship for fieldwork in parasitology or entomology.

Centenary Fellowship Appeal Fund comprises monies raised to provide short-term support for promising researches from the tropics and sub-tropics early in their careers.

Nairobi Meeting Fund represents funds that have been specifically received for the running of the meeting in Nairobi and providing travel scholarships to participants.

Biennial Meeting Fund represents funds that have been specifically received for the running of the Biennial meeting and providing travel scholarships to participants.

Emerging Leaders Award Fund represents funds that have been designated to recognise significant contributions in leadership and service, including mentoring and other forms of capacity-building, to the fields of tropical medicine and global health. A £5,000 cash prize is awarded annually from 2016.

16. Financial commitments

At 31 March 2017, the charity was committed to making the following total future minimum lease payments under non-cancellable operating leases:

	2017	2016
	£	£
Land and buildings operating leases:		
Within one year	85,200	85,200
Between two and five years	227,200	312,400
In over five years	-	-
Other operating leases:		
Within one year	2,241	2,986
Between two and five years	3,295	5,238
	317,936	405,824