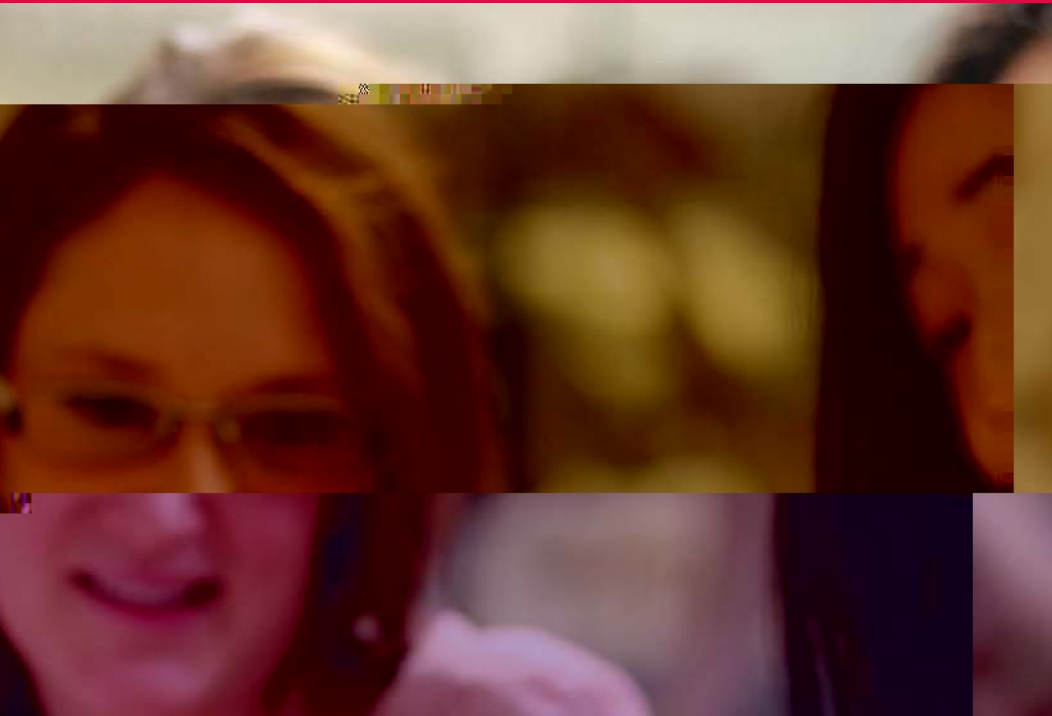




Annual Review
2011-2012

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In this first year of my Chairmanship of the Council of the Royal Veterinary College (RVC), it is a pleasure to be reporting to you on the successes of the last 12 months and on developments at our institution. Rising above the challenges of the new funding environment, the RVC now sees itself stronger and more securely

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PRINCIPAL'S REPORT

With a strong financial performance as our bedrock, we have been able to excel in each of our missions; the College achieved

OPERATING AND FINANCIAL REVIEW

Context and risk analysis

The RVC, founded in 1791, was the first of its kind in the UK and remains the only independent Higher Education Institution for teaching and research in the veterinary and allied sciences.

The RVC has the largest range of veterinary, para-veterinary and animal science

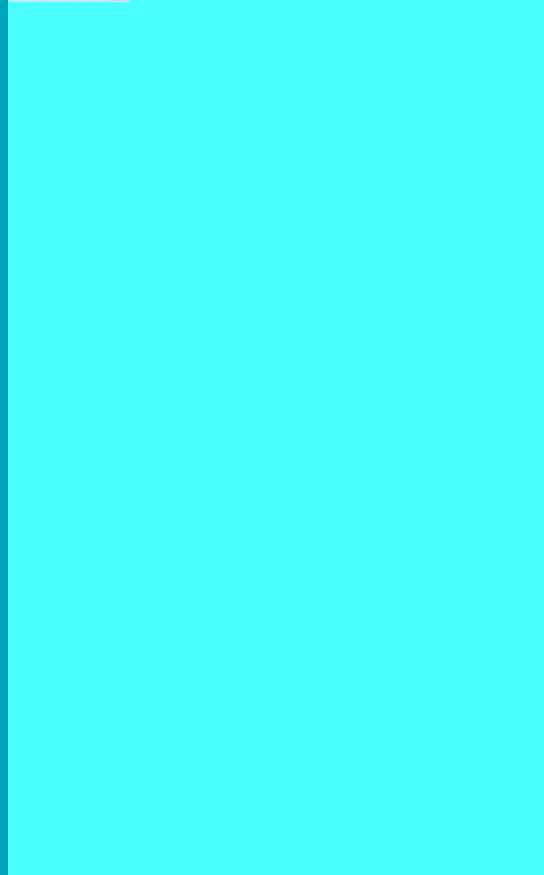


The RVC's future success in research is, in part, driven by the number of PhD studentships and completion rates. PhD student numbers also drive one aspect of HEFCE's research funding allocation. The target is to have 120 active PhD students, and the College is very close to achieving this. The College was successful in a partnership bid to the BBSRC Doctoral Training Partnership, led by University College London.

The RVC continues to play a leading role in European Union funded research, particularly within its Infection and Immunity Programme. The FP-7 funded PILGRIM Grant was completed yielding significant innovative findings of relevance to the management of MRSA in farm animals. The College commenced leadership of a new FP-7 collaborative project, RISKSUR, with 12 partners which will develop decision support tools for the design of cost-effective risk-based surveillance systems that integrate the most recent advances in epidemiological methodologies. The excellent research of the Veterinary Epidemiology and Public Health Group and the impact it has on government policy has been recognised by it becoming the first European FAO Recognised Centre for Veterinary Epidemiology.

The Lifestyle research programme has also had a successful year. Professor Hutchinson secured a Royal Society Leverhulme Trust Senior Research Fellowship to enable him to focus on research over the next 12 months, and Professor Alan Wilson became the first veterinarian to win a European Research Council Investigator award. This will fund five years of research allowing him to study the locomotion and hunting behaviour of lions, cheetahs, leopards, African hunting dogs, hyenas, and their five main prey. The Neuromuscular group has joined forces with the Structure and Motion lab and secured BBSRC funding to use optogenetics to study neuromechanical control of locomotion. This is a ground-breaking research programme.





profile and position. This facility was not drawn upon during 2011-12.

Pension Funds

Staff at the RVC are entitled to join either the Universities Superannuation Scheme (USS) or the Superannuation Scheme of the University of London (SAUL).

Major reforms to the former scheme were agreed by the USS Board and with effect from 1 October 2011 new joiners will accrue benefits on a career average earnings (CARE) basis. Existing members' benefits will continue to accrue on a final salary basis. There was no change to the employer's contribution rate.

Agreement was also reached on reforms to the SAUL scheme, and with effect from 1 June 2012 new joiners will accrue benefits on a CARE basis and existing members on a final salary basis. There was no change to the employer's contribution rate.

Both schemes were formally valued on 31 March 2011 and the funding positions of both were below the level required by The Pensions Regulator. Formal action plans to address the funding gap have been prepared for approval by The Pensions Regulator.

Financial Outlook

From 2012-13, the balance of funding the teaching of students shifts dramatically away from public funds towards contributions directly from students. However, HEFCE

CONSOLIDATED RESULTS FOR THE YEAR TO 31 JULY 2012

(continued)

repaying their loans after graduation once they are in employment and have earnings above an agreed threshold (currently £21,000 per annum).

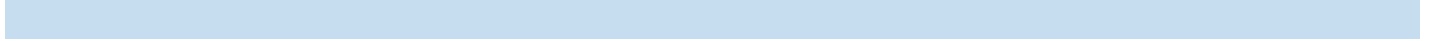
With the main elements of student funding in place, the main financial risk is in recruiting appropriate numbers of students, which has become a very fine balancing act.

The government has created a 'core and margin' system for recruitment of UK and EU students. Restrictions on recruitment of UK and EU students gaining A-level grades at AAB or better have been lifted; whereas students below this achievement level are tightly controlled through a Student Number Cap (SNC). HEFCE have removed their tolerance band for funding and so any under-recruitment leads to a loss of funding; on the opposite side, there are severe funding penalties for exceeding SNC.

Recruitment figures for the Autumn 2012 intake indicate that the RVC has met its overall targets. A large number of the RVC's UK and EU students fall into the AAB or better category and so the College has been able to offset international numbers by increasing home recruitment outside the SNC.

Arguably, the uncertainty over recruitment was even greater for the RVC's post-graduate programmes, due to increasing student debt levels. It is pleasing therefore to report provisional recruitment to targets, both from home and from international markets. In international student activities the College remains highly vigilant to ensure

Summary of Financial Performance over the last five years



Corporate Governance

The RVC is committed to exhibiting best practice in all aspects of corporate governance, and seeks to follow the Good Governance principles recommended by the Charity Commission. A summary describing the manner in which the College has applied the principles of best practice can be reviewed in the Corporate Governance section of the College's Annual Report and Financial Statements.

www.rvc.ac.uk/About/charitablegovernanceinfo.cfm

The Charity Commission's Good Governance principles can be viewed here:

www.charitycommission.gov.uk/Charity_requirements_guidance/Charity_governance



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