

**REGISTRAR OF COMPANIES**

**Fellowship  
of Postgraduate  
Medicine**

**Annual Report and Financial  
Statements**

31 December 2013

Company Limited by Guarantee  
Registration Number  
00721213 (England and Wales)

Charity Registration Number  
313355



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## Reference and administrative details

### Members of the Council

President	Prof D RJ Singer BMedBiol MD FRCP FBPharmacolS
Honorary Secretary	Dr TRJ Nicholson BSc MSc PhD MRCP MRCPsych
Honorary Treasurer	Prof W L Currie BSc PhD
Members	Mr W Dimitri MRCP Prof A Ferro PhD FRCP Dr H Lim FFA Dr A Marsh PhD Dr C Missouri MD FRCP Dr R Moulding FFA Dr L T Newman CBE FRCGP FRNZCGP Prof D Saltman AM FRACGP MD FAFPHM Dr M Shaw FFA Dr D Slovic FRCP

### Honorary Fellows

Dr D Abse CBE FRSL  
Mr J P Hopewell FRCS  
Prof D Ingram BA PhD FBCS CEng  
MRCP(Hon)

### Editors

#### Postgraduate Medical Journal Health Policy and Technology

Dr F Moss FRCP  
Prof W Currie BSc PhD

### Registered/Principal office

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### Company registration number

00721213 (England and Wales)

### Charity registration number

313355

## Reference and administrative details

<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Investment managers</b>	Rathbone Investment Managers Limited 159 New Bond Street London W1S 2UD
<b>Bankers</b>	Barclays Bank plc 8/9 Hanover Square London W1A 4ZW

The Council Members present their statutory report with the financial statements of the Fellowship of Postgraduate Medicine for the year ended 31 December 2013.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 and 16 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws, and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005.

## **GOVERNANCE, STRUCTURE AND MANAGEMENT**

### **Constitution**

The Fellowship of Postgraduate Medicine is a registered charity and a company limited by guarantee, not having a share capital, (incorporated by licence of the Department of Trade and Industry), Company Registration No. 00721213.

### **Organisation**

The Fellowship of Postgraduate Medicine operates from 12 Chandos Street in London, which it leases from the Medical Society of London.

The Fellowship came into being through the amalgamation of two organisations, the Fellowship of Medicine and the Postgraduate Medical Association. It was founded to meet the increased demand for training in civilian medicine that followed the end of the Great War (1914-18). The Fellowship has always been independent of Government and University. It originally had a pioneering role in co-ordinating and providing an impetus to the development of postgraduate medical education in London and throughout the United Kingdom. With the establishment of other organisations such as the British Postgraduate Medical Federation, the Postgraduate Centre movement in hospitals throughout the country, and the postgraduate activities of Royal College and Faculties, its role changed, and the last regular course organised by the Fellowship took place in 1974. However, there are important areas of postgraduate medical education and research which are not covered by them, and the Fellowship is active in many of these.

### **The Council**

The Council Members are elected by the Members and constitute directors of the Fellowship for the purposes of the Companies Act 2006 and trustees of the Fellowship for the purposes of charity legislation.

Council members are recruited from the Fellowship's members by written invitation of the President, after discussion and approval at Council. A recommendation for a person to be invited to join Council may be made by the President or any other member of the Fellowship. There is at present no "initiation" or "training", but as Council Members are Trustees of the Fellowship they will be given information on the roles and responsibilities of trustees of a UK charity and be invited to attend one of the regular Trustee Training Workshops run by Buzzacott LLP. Council members are regularly updated on Charity Commission best practice.

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### The Council (continued)

The following Members were in office at 31 December 2013 and served throughout the year except where shown:

Council Members	Appointed/resigned
Prof W L Currie	
Dr W Dimitri	
Prof A Ferro	
Dr H Lim	
Dr A Marsh	
Dr A Missouris	
Dr R Moulding	
Dr L T Newman	
Dr T Nicholson	
Prof D Saltman	
Prof D R J Singer	
Dr M Shaw	
Dr D Slovick	

The Postgraduate Medical Journal Editor, Dr F Moss, is an ex-officio member co-opted to attend the Council.

Honorary Fellows	
Mr D Abse	Appointed June 2013
Mr J P Hopewell	
Prof D Ingram	

Management of the Fellowship's affairs is directed by its Officers, the President, Honorary Secretary and Honorary Treasurer. Financial matters are monitored and handled by the Honorary Treasurer, with operational matters dealt with under the Treasurer's direction and responsibility. The Honorary Treasurer relies on the professional advice on financial matters from the Fellowship's accountants, Buzzacott LLP. Investment decisions are delegated to the Fellowship's Investment Manager at Rathbone Investment Management Limited and monitored by the Honorary Treasurer.

No Council Member received any remuneration for services as a member of the Council during the year (2012 - none).

### Council Members' responsibilities statement

The Council Members (who are directors of Fellowship of Postgraduate Medicine for the purposes of company law) as trustees of the Fellowship of Postgraduate Medicine are responsible for preparing the Report of the Council and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

## **GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)**

### **Council Members' responsibilities statement (continued)**

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities SORP;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable UK accounting standards 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- ◆ the trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Risk management**

The Treasurer, on behalf of the Council, has undertaken an assessment of the major risks to which the charity is exposed, in particular those relating to the specific operational areas of the charity and its finances, and is working to ensure that controls are in place to mitigate those risks.

## **OBJECTIVES, ACTIVITIES AND RELEVANT POLICIES**

### **Public Benefit**

The members of the Council confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fellowship's objectives and aims and in planning future activities for the year.

## **OBJECTIVES, ACTIVITIES AND RELEVANT POLICIES (continued)**

### **Activities and specific objectives**

The principal objectives of the Fellowship are the promotion of the postgraduate study of medicine and the support of continuing medical education and related public engagement through:

- 1 The Fellowship's two international journals, the Postgraduate Medical Journal and Health Policy and Technology.
- 2 Education – seminars, workshops and symposia, and related activities.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of activities in 2013 and plans for 2014 and 2015**

The Fellowship continues to make a major contribution to national and international postgraduate medical education through its two journals, the Postgraduate Medical Journal and Health Policy and Technology (see reports below).

Joint CPD activities with the Medical Society of London continue. A third joint meeting with MSL was held in January 2014 as an update on cardiovascular prevention and treatment. The focus in 2014 was on sudden cardiac death and on intravascular treatment for heart valve disease.

The Fellowship continued support for the international Hippocrates prize on poetry and medicine and the associated fourth international symposium on poetry and medicine. This initiative has engaged major interest in a range of health professionals in the UK and internationally, with entries from over 50 countries since the Award was founded. The prize in 2013 was in three sections: UK NHS staff and students and related health professionals, poets and any interested members of the public, and a new Young Poet section which attracted international interest and was jointly supported by NAWA – the National Association for Writers in Education.

The open winner was a Harvard physician and poet – Dr Rafael Campo. The 2013 awards attracted major media interest including from BBC radio four and the Boston Globe. Winners in 2013 came from throughout the UK and from the USA, New Zealand and Israel. The awards were judged by Queen's Gold Medal winning poet Jo Shapcott, a writer and doctor Theodore Dalrymple and Science Museum Communications Director Roger Highfield.

Events planned for 2014-15 include further joint events with the Medical Society of London; support for the 5<sup>th</sup> international symposium on Poetry and Medicine, with speakers planned from Norway, Spain, Australia, USA, Denmark and the UK and the 2014 Hippocrates Awards, to be judged by distinguished barrister Robert Francis QC, TS Elliot award-winning poet Philip Gross and mumsnet editor Sarah Crown; support for the 4<sup>th</sup> international symposium on Personalised Medicines, and in 2015, to mark the 90<sup>th</sup> anniversary of the founding of the Postgraduate Medical Journal, a PJM-FPM symposium, speakers to include FPM Fellows Professor Munir Pirmohamed on personalising medicine and Professor Peter Barnes on developments in respiratory medicine.



## **ACHIEVEMENTS AND PERFORMANCE (continued)**

### **Review of activities in 2013 and plans for 2014 and 2015 (continued)**

#### ***Publishing***

##### ***Postgraduate Medical Journal***

The PMJ continues to prosper under the leadership of the Editor-in-Chief Dr Fiona Moss. New Associate Editors include surgeon Oliver Warren and social media editor Dr Toby Hillman. The journal provides education to an international audience, predominantly as state-of-the-art review articles based on topical issues, editorials, original research papers, supported by its website and social media engagement. Specialty interests of the team of Associate Editors include diabetes, allergy and immunology, surgery, paediatrics, geriatrics, rehab, respiratory, anaesthetics internal medicine, radiology, general practice and education.

The PMJ's papers demonstrate its international reach with authors from over 12 countries, other than the UK, including the US, China, India and South Africa. The PMJ's papers in the last year have covered a wide range of topics relevant to today's health care. These include clinical topics e.g. restless leg syndrome and a series on the management of chronic failure; modern technical developments e.g. non-pharmacological treatments for end stage heart failure; and papers on topics such as team working and time management that reflect working in the modern environment; papers on interns and their smartphones. "Is it ok 2 txt" to contact adolescents attending sexual health clinics, and the screening of Facebook profiles by residency admissions committees, reflect the growing importance of information technology and social media in healthcare and medical education. The PMJ too, is developing a presence on social media: Dr John Launer's very popular "On Reflections" are tweeted and retweeted to and by an increasing audience as is the PMJ's new blog. 2014 will see further developments, including a focus on the 90<sup>th</sup> birthday of the PMJ. Plans are in progress for a commemorative 90<sup>th</sup> anniversary issue for September 2015, in advance of a PMJ-FPM 90<sup>th</sup> Anniversary Symposium to be held on 1 October 2015 in London.

##### ***Health Policy and Technology – report by the Editor-in-Chief Professor Wendy Currie***

Health Policy and Technology is now in its third year. The founding Editor-in-Chief, Professor Wendy L. Currie has expanded the editorial board with representation from nine countries. The journal continues to make excellent progress with submissions growing each month. Three of the editorial board (Michell, Spill and Tan) have proposed themed issues on issues relating to health policy and IT adoption and implementation which are planned for 2015. The number of downloaded articles continues to rise rapidly from 762 per month in January 2013 to 1,329 per month in December 2013. The number of articles published per country meets the aims and objectives of the journal which promotes an international and inter-disciplinary community of scholars engaged in research, debate and benchmarking on various themes and issues relating to health policy and technology. Published articles by authors from over 15 countries were accepted in 2013, which supports the global reach of this journal. The top ten countries for published articles are: UK, US, France, Belgium, Canada, India, Norway, Netherlands, Germany and Australia. The Editor-in-Chief is engaged in marketing activities to further promote the journal, having

## **ACHIEVEMENTS AND PERFORMANCE (continued)**

### **Review of activities and plans for 2013 and 2014 (continued)**

#### ***Publishing (continued)***

*Health Policy and Technology – report by the Editor-in-Chief Professor Wendy Currie (continued)*

attended the HIMSS2014 conference in Orlando and Berlin (February and May) and the ECIS conference in Tel Aviv (June). The usage of the journal in ScienceDirect increased by 310% in 2013 which is a direct combined result of the editorial content published and the marketing efforts by the Editor-in-Chief, editorial board and publisher. An application has been made to Medline for consideration of the journal to be listed.

## **FINANCIAL REPORT FOR THE YEAR**

### **Results for the year**

The net income for the year was £185,499 (2012 – £192,358) before having taken account of unrealised gains on investments of £180,728 (2012 – £62,207) and realised losses on investments of £6,932 (2012 – gains of £5,693).

### **Investment policy and performance**

The Fellowship's investment portfolio is managed by Rathbone Investment Management Limited subject to the terms of a discretionary management agreement. The investment manager has been instructed by the Fellowship that no purchases are permitted of shares in companies involved in the brewing of alcoholic beverages or the manufacture of tobacco or armaments products. The total investment in any one entity should not exceed 10% of the total portfolio value. Otherwise, there are no restrictions on the charity's power to invest. Details of the Fellowship's investments are set out in note 9 to the accounts.

The investment strategy takes into account income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. The overall investment policy is to maximise total return, both in terms of income and capital appreciation, through a diversified portfolio to minimise risk.

The charity's investment portfolio increased in value during the year to a market value of £1,535,693 (2012 - £1,055,627).

### **Reserves policy and financial position**

The Fellowship maintains a general fund to continue its promotion of postgraduate study of medicine by publishing journals, arranging lectures, symposia and educational and research events from time to time. In recent years, the Fellowship has not awarded any grants, and no explicit policy exists. A policy will need to be considered and agreed by Council if the Fellowship is to start such awards.

**FINANCIAL REPORT FOR THE YEAR (continued)**

**Reserves policy and financial position (continued)**

The Fellowship's reserves policy is to maintain adequate general reserves to provide continuing income from its invested funds, to have general funds sufficient to meet the requirement for working capital, and to meet any temporary shortfall of funds to enable the Fellowship to achieve its charitable objectives.

The balance sheet shows total funds of £2,219,119 (2012 - £1,859,824). £223,972 (2012 - £1,859,824) of unrestricted funds have been designated by the Council members for the establishment of the Health, Policy and Technology journal. After deducting this designated fund from the total unrestricted funds, the balance sheet shows general reserves of £1,995,147. Council members are reviewing options for use of reserves in the future including utilising reserves to purchase a property. Free reserves are also required to manage future uncertainty in journal income. The trustees consider that this level of free reserves matches the parameters set out in the charity's reserves policy above and they, therefore, consider free reserves to be adequate but not excessive.

Signed on behalf of the Council:



Prof DRJ Singer

Approved by the Council on: 26/6/14

**Independent auditor's report to the members of Fellowship of Postgraduate Medicine**

We have audited the financial statements of Fellowship of Postgraduate Medicine for the year ended 31 December 2013 which comprise the statement of financial activities, the balance sheet, the principal accounting policies 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).

This report is made solely to the charity'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 charity'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 charity and the charity'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**

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Report of the Council, the trustees 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Council to identify any material inconsistencies with the 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.

## Independent auditor's report 31 December 2013

### 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 December 2013 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.

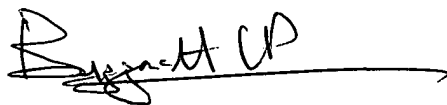
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements.

### 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.



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

23 September 2014

**Statement of financial activities Year to 31 December 2013**

	Notes	Unrestricted funds 2013 £	Unrestricted funds 2012 £
<b>Income and expenditure</b>			
<b>Incoming resources</b>			
Activities for generating funds			
Incoming resources from generated funds			
. Investment income and interest receivable	1	41,184	38,899
Incoming resources from charitable activities			
. International Hippocrates Poetry awards and anthology		8,670	2,927
. Postgraduate Medical Journal		531,457	523,917
. Health Policy and Technology		17,893	12,000
. Education – seminars		3,224	300
<b>Total incoming resources</b>		<b>602,428</b>	<b>578,043</b>
<b>Resources expended</b>			
Costs of generating funds			
. Investment managers' fees		8,158	7,218
Charitable activities			
. International Hippocrates Poetry awards, anthology and expenses	2	21,616	22,201
. Postgraduate Medical Journal		228,125	237,038
. Health Policy and Technology		51,036	53,241
. Education – seminars, symposiums and support		94,215	53,384
Governance costs	4	13,779	12,603
<b>Total resources expended</b>		<b>416,929</b>	<b>385,685</b>
<b>Net incoming resources for the year</b>	5	<b>185,499</b>	<b>192,358</b>
Realised (losses) gains on investments	9	(6,932)	5,693
<b>Statement of total recognised gains and losses</b>			
<b>Net income</b>		<b>178,567</b>	<b>198,051</b>
Unrealised gains on investments	9	180,728	62,207
<b>Net movement in funds</b>		<b>359,295</b>	<b>260,258</b>
<b>Balance brought forward at 1 January 2013</b>		<b>1,859,824</b>	<b>1,599,566</b>
<b>Balance carried forward at 31 December 2013</b>		<b>2,219,119</b>	<b>1,859,824</b>

**Statement of financial activities** Year to 31 December 2013

	2013 £	2012 £
<b>Historical cost net movement in funds</b>		
Net movement in funds (page 12)	359,295	260,258
Unrealised gains on investments	(180,728)	(62,207)
Difference between historical cost realised losses (gains) and the actual realised losses (gains) calculated on the revalued amounts	3,200	(2,252)
<b>Historical cost net movement in funds</b>	<b>181,767</b>	<b>195,799</b>

All of the Fellowship's activities derived from continuing operations during the above two financial periods.

**Balance sheet 31 December 2013**

	Notes	2013 £	2013 £	2012 £	2012 £
<b>Fixed assets</b>					
Tangible assets	8		7,934		13,834
Investments	9		1,866,165		1,209,644
			<u>1,874,099</u>		<u>1,223,478</u>
<b>Current assets</b>					
Debtors	10	94,103		90,407	
Cash at bank and in hand		<u>347,086</u>		<u>602,942</u>	
		441,189		693,349	
<b>Creditors: amounts falling due within one year</b>	11	<u>(58,132)</u>		<u>(50,345)</u>	
<b>Net current assets</b>			383,057		643,004
<b>Provision for pension liability</b>			(7,498)		(6,658)
<b>Creditors: amounts falling due after more than one year</b>	12		(30,539)		—
<b>Total net assets</b>			<u>2,219,119</u>		<u>1,859,824</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Unrestricted funds					
Designated fund	15		223,972		251,159
General fund			<u>1,995,147</u>		<u>1,608,665</u>
			<u>2,219,119</u>		<u>1,859,824</u>

Approved by the Council  
and signed on its behalf by:

Prof DRJ Singer  
Approved on:

*Donald AS Singh*  
*26/6/14*

Company Limited by Guarantee Registration Number 00721213 (England and Wales)



## **Principal accounting policies 31 December 2013**

### **Basis of accounting**

The accounts have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with the requirements of the Companies Act 2006. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these accounts.

### **Income**

All income is credited to the statement of financial activities on an accruals basis.

Publications and conference income receivable is in respect of the Fellowship's charitable activities in promoting the study of medicine.

Investment income comprises dividends and interest receivable and both are shown inclusive of tax recoverable.

### **Expenditure**

- a. The cost of generating funds includes investment managers' fees.
- b. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the Report of the Council. Such costs include the cost of the production, promotion and other incidental costs associated with the production of the journals, and the costs associated with running seminars and symposiums. These also include the commission chargeable by the publishers, together with editorial fees and expenses.

The costs are directly attributable to specific activities.

- c. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel, financial procedures, provision of office services and equipment and a suitable working environment.

Support costs are allocated between activities with the allocation based on the usage of the office at 12 Chandos Street.

- d. Governance costs comprise the costs directly attributable to the governance of the charity, including the necessary financial and legal procedures for compliance with statutory requirements.

### **Cash flow**

The financial statements do not include a cash flow statement because the Fellowship, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

**Tangible fixed assets**

All assets costing more than £1,000 and with a useful economic life exceeding one year are capitalised.

Depreciation is calculated to write down the cost of tangible fixed assets over their expected useful lives as follows:

- ◆ Office furniture and fittings (pre 2008) - 15% reducing balance
- ◆ Office furniture and fittings 2008 onwards - 20% on cost
- ◆ Computer equipment - 25% on cost
- ◆ Leasehold refurbishment - over the remaining life of the lease

**Investments**

Investments are included on the balance sheet at their market value at the end of the financial period. Realised and unrealised gains and losses are credited, or debited, to the statement of financial activities in the year in which they arise.

**Fund accounting**

The general fund comprises those monies which may be used towards meeting the charitable objectives of the Fellowship at the discretion of the Council.

The designated fund comprises monies set aside by the Council for specific purposes.

**Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term.

## Notes to the financial statements 31 December 2013

### 1 Investment income and interest receivable

	Total 2013 £	Total 2012 £
Equities and fixed interest stock	40,882	38,641
Bank interest	302	258
	<b>41,184</b>	<b>38,899</b>

### 2 Costs of activities in furtherance of the charity's objectives

	Total 2013 £	Total 2012 £
<b>International Hippocrates Poetry awards, anthology and expenses</b>	<b>21,616</b>	<b>22,201</b>
<b>Postgraduate Medical Journal</b>		
Direct costs		
. Production, promotion, despatch and website development	55,328	61,154
. Publisher's share of surplus - British Medical Association	103,011	101,871
. Editorial costs	63,530	68,003
. Other direct costs	300	250
Support costs (note 3)	5,956	5,760
	<b>228,125</b>	<b>237,038</b>
<b>Health Policy and Technology – new journal costs</b>		
Direct costs		
. Fellowship members' subscriptions	25,600	26,240
. Editorial costs	12,000	12,000
. Office equipment <£1,000	175	—
. Legal and professional fees	200	—
. Conferences and travel	5,945	8,373
. Sundry expenses	1,160	869
Support costs (note 3)	5,956	5,759
	<b>51,036</b>	<b>53,241</b>
<b>Education – seminars, symposiums and support</b>		
Direct costs	11,502	10,185
Support costs (note 3)	44,676	43,199
Pension deficit (note 16)	38,037	—
	<b>94,215</b>	<b>53,384</b>
<b>Grand total</b>	<b>394,992</b>	<b>365,864</b>

## Notes to the financial statements 31 December 2013

### 3 Support costs

	Governance Costs £	Post- graduate Medical Journal £	Health, policy and technology £	Education £	Total 2013 £	Total 2012 £
Council and other meetings	189	377	377	2,830	3,773	4,336
Rent, rates, light and heat	1,571	3,142	3,142	23,563	31,418	31,936
Repairs, cleaning and insurance	146	292	292	2,192	2,922	2,140
Legal and professional fees	399	797	797	5,977	7,970	7,465
Depreciation	295	590	590	4,425	5,900	5,900
Printing, postage and stationery	17	36	36	268	357	249
Sundry expenses	12	23	23	176	234	289
Telephone	350	699	699	5,245	6,993	5,281
	<b>2,979</b>	<b>5,956</b>	<b>5,956</b>	<b>44,676</b>	<b>59,567</b>	<b>57,596</b>

### 4 Governance costs

	Total 2013 £	Total 2012 £
Auditor's remuneration		
· audit	8,700	8,500
· non-audit	2,100	1,225
Support costs (note 3)	2,979	2,878
	<b>13,779</b>	<b>12,603</b>

### 5 Net incoming resources for the year

This is stated after charging:

	2013 £	2012 £
Depreciation	5,900	5,900
Auditor's remuneration		
· Audit	8,700	8,500
· Accountancy, taxation and other services	10,070	8,690
Operating lease rentals	27,400	27,400

## 6 Staff costs and Council Members' remuneration

There were no employees during the year (2012 – none).

No members of the Council received any remuneration in respect of their services as a member of the Council during the year (2012 - £nil). Payments totalling £10,000 were made in the year (2012 - £10,000) to Chandos Ventures, an entity controlled by Professor Currie, for her services and expenses as Managing Editor of Health Policy and Technology. At the year end £833 (2012- £833) was due to Chandos Ventures. Professor Currie took no part in the decision-making process through which the remuneration was awarded. No trustees' indemnity insurance premiums were paid during the year (2012 - £nil).

Expenses of £5,741 (2012 - £11,934) were reimbursed to three (2012 – three) members of the Council in connection with work on the journals, the Hippocrates Poetry awards, core Fellowship business and delivering medical symposiums. These costs were predominantly travel, subsistence and related costs. No remuneration is paid for any of these activities for Council members.

## 7 Taxation

The Fellowship of Postgraduate Medicine is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

## 8 Tangible fixed assets

	Leasehold refurbishment £	Office furniture and fittings £	Total
<b>Cost</b>			
At 1 January 2013 and 31 December 2013	24,780	10,833	35,613
<b>Depreciation</b>			
At 1 January 2013	13,697	8,082	21,779
Charge for year	3,736	2,164	5,900
At 31 December 2013	17,433	10,246	27,679
<b>Net book values</b>			
At 31 December 2013	7,347	587	7,934
At 31 December 2012	11,083	2,751	13,834

## Notes to the financial statements 31 December 2013

### 9 Investments

	2013 £	2012 £
<b>Listed investments</b>		
Market value at 1 January 2013	1,055,627	985,184
Additions at cost	461,199	77,911
Disposals at carrying value (including realised losses of £6,932)	(161,861)	(69,675)
Net unrealised investment gains	180,728	62,207
Market value at 31 December 2013	1,535,693	1,055,627
<b>Cash held by investment managers for re-investment</b>	330,472	154,017
	1,866,165	1,209,644
<b>Cost of listed investments at 31 December 2013</b>	1,140,783	838,247

Listed investments held at 31 December 2013 comprised the following:

	2013 £	2012 £
UK equities	917,181	602,243
Non UK equities	367,932	188,492
UK Fixed interest stock	91,396	111,169
Non UK Fixed interest stock	53,834	57,127
Alternative investments	105,350	96,596
	1,535,693	1,055,627

At 31 December 2013 and 31 December 2012 no individual investment holdings had a market value considered to be material when compared to the entire listed portfolio as at that date.

### 10 Debtors

	2013 £	2012 £
Trade debtors	93,308	86,298
Prepayments	795	4,109
	94,103	90,407

### 11 Creditors: amounts falling due within one year

	2013 £	2012 £
Accruals	36,645	31,319
Other creditors	21,487	19,026
	58,132	50,345

Notes to the financial statements 31 December 2013

**12 Creditors: amounts falling due over more than one year**

	2013 £	2012 £
Pension liability (note 16)	30,539	—

**13 Liability of members**

The Fellowship is constituted as a company limited by guarantee. In the event of the Fellowship being wound up members are required to contribute an amount not exceeding £1.

**14 Leasing commitments**

*Operating leases*

At 31 December 2013 the Fellowship had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013 £	2012 £
Operating leases which expire: Between two and five years	27,400	27,400

**15 Designated funds**

	At 1 January 2013 £	New designat- ions £	Utilised in year £	At 31 December 2013 £
New journal fund	251,159	17,893	45,080	223,972
	251,159	17,893	45,080	223,972

*New journal fund:*

The Health, Policy and Technology journal was established and began publication in 2012. £300,000 was set aside by the Council members in connection with the establishment of the new journal and the working capital required. This fund was transferred from general reserves during 2010.

## 16 Pension liability

Certain prior employees of the Fellowship were members of the Federated Flexiplan No 1 Pension Plan (the "Plan"), a defined benefit multi-employer pension scheme.

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitely established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent Recovery Plan required the Fellowship to contribute £6,671 for the three years commencing 1 April 2011 in respect of its share of the deficit. A provision of £20,000 was made for these payments as at 31 December 2010. A balance of £nil remains outstanding as at 31 December 2013.

A further actuarial valuation at 31 March 2012, shows that the overall deficit at that date was approximately £18.3 million. In line with the approach used for the 2009 valuation, the basis used to calculate the deficit was chosen to produce a level for the liabilities which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer. A new Recovery Plan has now been issued which takes account of the 31 March 2012 actuarial valuation and subsequent changes in assets and liabilities up to the date of signing the valuation in June 2013.

Following the outcome of the Court case the Trustee of the Plan has decided to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. The Fellowship of Postgraduate Medicine will be required to pay £7,498 per annum for three years from 1 April 2014 and £7,770 per annum for two years from 1 April 2017 as its share of the deficit. A liability of £38,037 has therefore been recognised for these payments as at 31 December 2013.

The next formal triennial actuarial valuation, which is due at 31 March 2015, may result in another revised Recovery Plan which in turn may change the amount the Fellowship is required to contribute for its share of the deficit.



# Detailed income and expenditure account Year to 31 December 2013

This page does not form part of the statutory financial statements.

	2013 £	2013 £	2012 £	2012 £
<b>Income</b>				
Journal: PMJ				
. Subscriptions	77,130		93,793	
. Reprints	2,362		1,135	
. Local editions	5,610		—	
. Internet subscriptions	400,940		380,432	
. Electronic licence income	31,865		28,558	
. Internet income	2,566		4,063	
. Advertising-back archive income	—		4,800	
. Royalties	1,977		3,586	
. Other publishing income	9,007		7,550	
		531,457		523,917
Journal: Health Policy and Technology				
. Editorial stipend income	12,000		12,000	
. Royalty income	5,893		—	
		17,893		12,000
Seminar income		3,224		300
<b>Expenditure</b>				
Journal: PMJ				
. Production, promotion and despatch	55,328		61,154	
. Publishers commission net of allowances	103,011		101,871	
	158,339		163,025	
Editor's appraisal	300		250	
Editorial costs	63,530		68,003	
Cost of production of the PMJ journal		(222,169)		(231,278)
Journal: Health Policy and Technology				
. Fellowship members' subscriptions	25,600		26,240	
. Editorial costs	12,000		12,000	
. Office equipment <£1,000	175		—	
. Legal and professional fees	200		—	
. Conferences and travel	5,945		8,373	
. Sundry expenses	1,160		869	
Cost of production of the HPT journal		(45,080)		(47,482)
Seminar and symposia direct costs		(11,502)		(10,185)
<b>Gross income carried forward</b>		<b>273,823</b>		<b>247,272</b>

# **Detailed income and expenditure account Year to 31 December 2013**

This page does not form part of the statutory financial statements.

	2013 £	2013 £	2012 £	2012 £
<b>Gross income brought forward</b>		<b>273,823</b>		<b>247,272</b>
<b>Establishment and support costs:</b>				
Council and other meetings	3,773		4,336	
Rent, rates, light and heat	31,418		31,936	
Repairs, cleaning and insurance	2,922		2,140	
Legal and professional fees	7,970		7,465	
Depreciation	5,900		5,900	
Printing, postage and stationery	357		249	
Sundry expenses	234		289	
Telephone	6,993		5,281	
	<u>59,567</u>		<u>57,596</u>	
<b>Pension liability</b>		<b>38,037</b>		<b>—</b>
<b>Financial:</b>				
Audit and accountancy	10,800		9,725	
Investment fund management fees	8,158		7,218	
	<u>18,958</u>		<u>16,943</u>	
<b>Operating charges</b>		<b>(116,562)</b>		<b>(74,539)</b>
<b>Net incoming resources</b>		<b>157,261</b>		<b>172,733</b>
<b>Other income</b>				
Investment income	40,882		38,641	
Deposit interest	302		258	
		<b>41,184</b>		<b>38,899</b>
<b>International Hippocrates Awards</b>				
Competition entry fee income and anthology sales	8,670		2,927	
Awards	(15,150)		(15,000)	
Administration and judging expenses	(6,466)		(7,201)	
		<b>(12,946)</b>		<b>(19,274)</b>
Realised (losses) gains on investment		<b>(6,932)</b>		<b>5,693</b>
Unrealised gains on investments		<b>180,728</b>		<b>62,207</b>
<b>Net movement in funds</b>		<b>359,295</b>		<b>260,258</b>

# Detailed schedule of investments 31 December 2013

This page does not form part of the statutory financial statements.

Investment	Cost £	Market value £
Aberdeen Unit Tst Mgrs Asia Pacific	13,608	22,394
Amec	9,022	13,056
Astrazeneca	15,468	21,447
Baillie Gifford Japan Trust	14,050	18,700
Barclays	17,366	20,396
BG Group	18,200	23,355
BHP Billiton	5,649	20,054
Booker Group	12,918	16,250
BP	22,872	26,843
Brown Advisory Funds	26,298	26,626
BT Group	15,822	30,352
British Telecom	21,526	27,108
Capital Intl Funds	28,960	30,964
Carphone Warehouse	17,057	18,970
Clinigen Group	10,285	33,000
Compass Group	12,781	13,552
Davis Sicav	26,593	49,202
Dechra Pharmaceuticals	17,407	17,563
Dixons Retail	16,177	16,979
Egerton Euro Eqty	8,567	26,370
Egerton Euro Eqty B1	—	386
Elementis	12,855	13,445
Experian	17,807	16,710
Fidelity European Values	49,896	61,000
Findlay Park American Smaller Co's	14,548	43,109
Franklin Templeton GBP Global Bond	17,327	22,870
Galliford Try	17,128	18,120
Glaxosmithkline	12,514	31,505
GCP Infrastructure	12,345	13,424
Halfords Group	16,412	19,178
Hansteen Holdings	13,007	13,525
Hermes Property Unit Trust	11,601	19,102
HSBC Holdings	18,426	22,522
IFDS Argonaut European Income	16,526	17,206
ITV	14,483	21,340
Intertek Group	17,985	17,314
JP Morgan Asian Inv Tst	4,357	10,652
JP Morgan European Inv Tst Income	9,852	18,348
Kames Capital	22,421	25,555
Kentz Corporation	17,149	20,224
Lazard Gbl Listed Infrastructure Equity	33,624	35,300
LBG Capital I plc	9,158	16,254
Legal & General Group	5,825	7,795
Lloyds Banking Group	10,479	11,832
LondonMetric Property	17,077	18,394
Medicx Fund	21,135	24,499
Melrose Industries	15,572	18,342
Middlefield Canadian Income	25,750	26,000
National Grid Group	8,493	11,820
Newriver Retail	14,350	20,825
North American Income Trust	12,094	17,000
Old Mutual	18,256	22,479
Partners Group Global Opportunities	15,013	25,243
Pennon Group	13,727	13,170
Petrofac	17,031	14,688
Premier Foods	8,495	5,875
Prudential	15,187	33,500
Rio Tinto	16,822	17,048
Royal Dutch Shell	25,665	34,200
Schroder Oriental Inc Fund	8,089	14,040
Carried forward	959,107	1,287,020

**Detailed schedule of investments** 31 December 2013

This page does not form part of the statutory financial statements.

<b>Investment</b>	<b>Cost £</b>	<b>Market value £</b>
Brought forward	959,107	1,287,020
Smith & Nephew	10,054	15,498
Spectris plc	12,589	14,086
Standard Chartered	15,061	12,920
3i Infrastructure plc	9,034	12,015
Templeton Emerg Mkts	7,011	31,211
Topps Tiles	13,287	13,980
Trinity Exploration & Production	13,003	8,355
Unilever	18,928	24,820
Utilico Emerg Mkts	9,667	14,175
Vodafone Group	28,907	35,550
W & G Investments	109	109
Whitbread	9,785	22,506
Wolseley	17,435	17,228
WPP	16,806	26,220
	<b>1,140,783</b>	<b>1,535,693</b>