

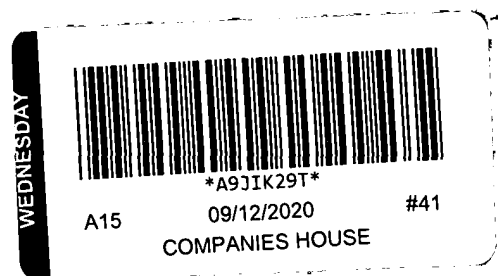
**Fellowship
of Postgraduate
Medicine (The)**

**Annual Report and Financial
Statements**

31 December 2019

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 R J Singer BMedBiol MD FRCP FBPhS
Honorary Secretary	Dr T R J Nicholson BSc MSc PhD MRCP MRCPsych
Honorary Treasurer	Mr W Dimitri FRCS
Members	Prof P Barnes DM DSc FRCP FCCP FMedSci FRS Dr J W F Elte MD PhD FRCP FACP FEFIM Prof A Ferro PhD FRCP FBPhS Dr D Slovic MA PhD FRCP Prof J A Vale MD FRCP FBTS FBPhS
Honorary Fellows	Prof D Ingram BA PhD FBCS CEng MRCP(Hon)
Editors	
Postgraduate Medical Journal	Prof B Cheung MA MB BChir PhD MRCP FRCP FCP FHKCP FHKAM
Health Policy and Technology	Prof K Redekop PhD MPH
Registered/Principal office	11 Chandos Street London W1G 9EB
Telephone	(020) 7636 6334
Facsimile	(020) 7436 2535
e-mail	fpm.chandos@gmail.com
website	www.fpm.org.uk
Company registration number	00721213 (England and Wales)
Charity registration number	313355
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Investment managers	Rathbone Investment Managers Limited 159 New Bond Street London W1S 2UD

The Council Members present their statutory report with the financial statements of the Fellowship of Postgraduate Medicine for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 24 of the attached financial statements and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), effective from accounting periods commencing on 1 January 2015 or later.

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 11 Chandos Street in London, which it leases from the Medical Society of London.

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 came into being late in 1918 as the Inter-allied Fellowship of Medicine, with Sir William Osler its President. Osler merged the Fellowship with the Postgraduate Medical Association of which he had been the founding President since 1911. The combined societies were named the Fellowship of Medicine and the Postgraduate Medical Association, with Osler the founding President from October 1919 until his death in December 1919. In 1944, the Fellowship had a further name change to the Fellowship of Postgraduate Medicine.

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 Colleges and Faculties, its role changed, and the last regular course organised by the Fellowship took place in 1974. The Fellowship continues to make important contributions to postgraduate medical education through its two journals, through scientific and policy meetings and through public outreach.

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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

The Council (continued)

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 updated as required on Charity Commission best practice.

The following Members were in office at 31 December 2019 and served throughout the year except where shown:

Council Members	Appointed/resigned
Prof P Barnes	
Dr W Dimitri	
Dr J W F Elte	
Prof A Ferro	
Prof A Halliday	Resigned 20 April 2020
Dr T Nicholson	
Prof D-R-J-Singer	
Dr D Slovick	
Prof J A Vale	

The Postgraduate Medical Journal Editor, Prof B Cheung and Health Policy and Technology Editor, Prof K Redekop are ex-officio members of the Council.

Honorary Fellows

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.

Key management personnel

The Council Members consider that they comprise the key management of the charity in charge of directing and controlling, running and operating the charity on a day to day basis.

No Council Member received any remuneration for services as a member of the Council during the year (2018 - none).

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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

- ◆ 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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.

The key risks for the charity, as identified by the trustees, are described below together with the principal way in which they are mitigated:

- ◆ Depletion of financial reserves as a consequence of undertaking new activities that do not generate a surplus.
 - ◇ Officers and the Council of Fellowship must approve all activities and only do this after due consideration of a business plan which outlines the financial implications.
- ◆ Information security violations and potential disruption of the Fellowship's affairs by any circumstances in which computer-held or paper records and documents are lost or destroyed.
 - ◇ This risk is mitigated by the charity keeping files on external computers and by storing records and other administration paperwork offsite at a secure storage location.

OBJECTIVES, ACTIVITIES AND RELEVANT POLICIES

Public Benefit

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

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.

OBJECTIVES, ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives (continued)

The Charity's objects are restricted specifically to the promotion of postgraduate medicine from a centre in London by:

- ◆ arranging lectures, demonstrations, discussions and exhibitions;
- ◆ publishing a journal and other books, papers and circulars and making medical literature and information available in the United Kingdom and overseas;
- ◆ awarding educational, travelling and research grants of such amount and upon such conditions to such promising students holding medical qualifications of a university in some part of the world as may be decided by the Directors;
- ◆ and, in furtherance or connection with the above, the advancement and promotion of the study, general knowledge of, or research in any branch of medicine.

ACHIEVEMENTS AND PERFORMANCE

Review of activities in 2019 and future plans for 2020 and beyond

Activities during 2019 included a conference European Cooperation Healthcare, a further annual conference on Advances in Healthcare, continued growth of the Fellowship's two journals, the Postgraduate Medical Journal and Health Policy and Technology under the leadership of PMJ Editor-in-Chief Professor Bernard Cheung and HPT Editor-in-Chief Professor Ken Redekop, and further support of the international Hippocrates Prize for Poetry and Medicine.

In June 2019, the FPM organised a conference on European Cooperation Healthcare which was held at Erasmus University in Rotterdam, host institution of HPT Editor-in-Chief Professor Ken Redekop. The conference was jointly hosted by the Erasmus School of Health Policy and Management (ESHPM), with as local organisers Associate Professor Ken Redekop (HPT Editor-in-Chief) and researcher Lytske Bakker (HPT Commissioning Editor). Barbara Pierscioneck, Associate Dean for Research at Nottingham Trent University discussed ethical and legal challenges when developing joint programmes involving European cooperation on healthcare. Issues include maintaining confidentiality when sharing real world data within Registries and other Big health Data. Pharmacist Liese Barbier, European Medicines Agency, discussed European Medicines Agency perspectives on regulating biosimilars. She stressed the importance of batch-level information when reporting any suspected adverse drug reactions from biosimilars or corresponding biological medicines.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities in 2019 and future plans for 2020 and beyond (continued)

Jorge Gonzalez, Spain, spoke on the EU funding supported InDemand model now operating in Spain, France and Finland, with additional network partners throughout Europe. InDemand makes a virtue of needs-driven rather than technology-driven project commissioning as a more reliable approach to ensuring adoption of new approaches into clinical practice. Examples included mobile health applications to reduce weight in obese children and e-health systems to support management of women in pregnancy. Marcus Guardian, CEO of EUnetHTA, The European Network for Health Technology Assessment discussed his organisation's role in cross-border assessment of health technology. Ines Hernando from the EURORDIS-Rare Diseases Europe organization discussed the initial impact of the 2017 European Reference Network Directive to improve the care of the ~ 30 million patients in Europe with rare diseases. The new European Reference Networks are already providing virtual common rare disease management support platforms for health professionals across the European region. Marjan Hummel from Philips in Eindhoven discussed early health technology assessment in the medical device industry and resulting international implications for streamlining development of new health technologies.

Zoltan Kalo, Professor of Health Economics at Eötvös Loránd University (ELTE) in Budapest discussed ways to improve equity in allocation of healthcare research funds by the European Union. Currently there appears to be a disproportionate allocation of EU research awards to EU15 countries. This both disadvantages research capacity development in EU13 countries and leads to a 'brain drain' of researchers from EU13 to EU15 research centres. Local host Ken Redekop, Editor-in-Chief of the FPM's Elsevier-published Health Policy and Technology journal, discussed themes and opportunities for publication in the journal on topics from across the diagnostics/drugs/devices/e-health spectrum complemented by papers on health technology adoption and associated health policy implications. Donald Singer, President, Fellowship of Postgraduate Medicine, London discussed engaging with European health policy makers, including new networking opportunities between health professional and patient and consumer organisations and EU institutions such as the European Medicines Agency.

Carin Uyl-De Groot, head of health technology assessment at the Erasmus School of Health Policy & Management in Rotterdam discussed sustainability and affordability of innovative drugs. She described discussion with European policy makers on ways to reduce the cost of expensive biological treatments. Developing cross-border partnerships would create much greater bargaining power for purchasing medicines. For example, the EU region currently provides 40% of the market for most pharmaceuticals.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities in 2019 and future plans for 2020 and beyond (continued)

Respiratory physician Marlies Wijsenbeek from the Erasmus Medical Centre discussed patient registry development to improve management of and research into rare lung diseases, based on her work on idiopathic pulmonary fibrosis. She noted the potential value of developing cross-border patient registries for rare diseases, to ensure larger patient populations than possible within individual countries. She also illustrated some of the challenges, e.g. when common data sets are not agreed and when the same patients may feature within different registries. Ron de Winter from the Department of Epidemiology at the University Medical Center in Utrecht, The Netherlands discussed combating multi-drug bacterial resistance in the multi-country European COMBACTE public-private partnership.

2019 was the centenary year of the death of Sir William Osler, the founder of the Fellowship of Postgraduate Medicine. This was marked by a conference (see below) and a special issue in the Postgraduate Medical Journal celebrating the extraordinary life and legacy of Osler. Advances in Healthcare: the FPM Osler Centenary Conference was held on 6th December 2019, Royal College of Physicians, London. Themes covered were: *Translating genomics for clinical benefit* by Professor Sir Mark Caulfield, Chief Executive and Chief Scientific Officer, Genomics England, Co-Director and Professor of Clinical Pharmacology, William Harvey Research Institute, Barts and the London; *Advances in oral and insulin treatments for diabetes* by Professor Tahseen Chowdhury, Consultant in Diabetes, Royal London Hospital; *Osler as a role model for today* by Professor Scott Wright, Johns Hopkins Medical School (co-founded by Osler), Baltimore, USA; *Osler and the Fellowship of Postgraduate Medicine* by Professor Donald Singer, President, FPM, London; The GMC and Medical Education by Professor Sue Carr, Deputy Medical Director, General Medical Council; *Advances in treating heart failure* by Professor Martin Cowie, Professor of Cardiology, Imperial College and the Royal Brompton and Harefield NHS Foundation Trust; *Premature birth and disease in adult life* by Neena Modi, President-Elect, Medical Women's Federation, Professor of Neonatal Medicine, Imperial College and Chelsea and Westminster NHS Foundation Trust, London, Immediate Past President, Royal College of Paediatrics and Child Health; *New guidelines for managing tuberculosis* by Dr Paul Nunn, London, former Coordinator of the WHO Stop TB Unit; *Advances in Palliative Care* by Dr Ros Taylor MBE, DL, London, National Director for Hospice Care at Hospice UK.

During 2019, the FPM provided support towards the 10th annual Health Professional and Open Hippocrates Prize for Poetry and Medicine (hippocrates-poetry.org) which was awarded in May 2019 at the Life Science Centre in Newcastle-upon-Tyne in partnership with the Newcastle Centre for the Literary Arts and the Newcastle Institute for Creative Arts Practice. The awards attracted entries from 28 countries. The Judges were UK journalist and broadcaster Kate Adie CBE, DL, American-Mexican poet and author Jennifer Clement, International President of PEN International and Professor Dame Jane Dacre DBE, Past-President of the Royal College of Physicians, London.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities in 2019 and future plans for 2020 and beyond (continued)

With regard to future activities, the FPM plans a further annual conference at the Royal College of Physicians and further conferences in partnership with the PMJ, HPT and other external partners. The FPM is providing further support to the Hippocrates Prize for its 2020 awards. Social media are increasingly being used as a source for health information and to guide important decisions on choices and actions about prevention and treatment of disease. Where the information is accurate and easy to follow, this can be very helpful. However, health professionals, policymakers, patients and members of the public, are increasingly at the mercy of a spectrum of unreliability, from incomplete or inaccurate reports, to claims that inconvenient truths are 'fake news'. The FPM will in 2020 be partnering with its journals – *Health Policy and Technology* and the *Postgraduate Medical Journal* – to launch international awards for well-informed, clear writing on health matters in social media.

In view of restrictions arising from the COVID-19 pandemic, postgraduate activities during 2020 are being organised as on-line sessions with international panels of speakers. The next conference on Advances in Healthcare has been deferred to September 2021. Reports follow on PMJ and HPT activities during 2019 and planned future journal activities.

ACHIEVEMENTS AND PERFORMANCE (continued)

Postgraduate Medical Journal (PMJ) – report by the Editor-in-Chief, Professor Bernard Cheung

In 2019, the journal received 991 manuscripts with an acceptance rate of 21%. The mean time to the first editorial decision was 27 days (median 14 days). The mean time from submission to acceptance was 77 days (median 59 days) and articles were published online, on average, 17 days after acceptance, and about three months later in print. We continued to receive and publish articles from all over the world; the submitted articles came, in descending order, from China (24%), India (18%), UK (13%) and USA (9%).

While the number of printed copies is relatively few, the journal is widely read online, with nearly 4.2 million page views overall in 2019. 1.6 million of these were from the Americas, followed by Asia (1.1 million) and Europe (994,000).

The journal's impact factor decreased slightly from 1.946 in 2018 to 1.911 in 2019, because of a small decrease in citations. The percentage of Open Access articles published in PMJ is low (i.e. where authors and their funders are expected to pay for publishing their articles) and citations are known to be greater for freely accessible content.

In 2019, Dr Alasdair McNeill was appointed as our associate editor for social media leading a team of three social media editors, Dr David Warriner, Dr Caitriona Cox and Dr George Huntington. Their main role is to increase the social media presence of PMJ, promote the viewing of PMJ articles and submissions to the journal.

A meeting of the editors was held on 12 March 2019 at BMA House to review the key performance indicators of the journal up to the end of 2018 and to discuss strategies for the future. The Minutes of this meeting has been drafted.

A thematic issue on Imaging was published in August 2019, with up-to-date reviews on diffusion tensor cardiovascular magnetic resonance from Dudley Pennell's group at the National Heart and Lung Institute, multiparametric ultrasound of the liver from Massimo Pinzani's group at University College London, and an editorial review from Adrian Dixon.

To celebrate the Centenary of the death of Sir William Osler, the founding president of the FPM, a one-day symposium was held at the Royal College of Physicians of London on 6 December 2019, with talks by many renowned speakers, including Neena Modi, Tahseen Chowdhury, Martin Cowie, Ros Taylor, Scott Wright, Sue Carr, Paul Nunn and Mark Caulfield.

The December issue of the Postgraduate Medical Journal was a special themed issue celebrating the extraordinary life and legacy of Osler. It was edited by Dr John Launer. Donald Singer, Bernard Cheung, Terence Ryan, Gary Lee, Jamie Coleman and many others contributed to that issue.

In 2020, there will be two more special themed issues, one on burnout and another one on infectious diseases. Although an annual conference in December 2020 had been planned, it will be postponed because of COVID-19.

ACHIEVEMENTS AND PERFORMANCE (continued)

Health Policy and Technology (HPT) – report by the Editor-in-Chief, Professor Ken Redekop

HPT is a cross-disciplinary journal which focuses on the past, present and future development and implementation of health policy and the role of technology in clinical and non-clinical national and international health environments. HPT is published in print and online form. The primary aim of HPT is to publish relevant, timely and accessible articles and commentaries that educate and inform all stakeholders in health policy and technology, from researchers to clinicians, health economists, health policy leaders and experts in the biotechnology and pharmaceutical sectors.

During 2019 the only change in the HPT Editorial Board was that Melanie Wincott took over the role of Commissioning Editor from Lytske Bakker.

There was a slight (4%) increase in the number of manuscript submissions over the previous year (from 183 in 2018 to 191 in 2019 (as of Dec. 1, 2019)). The acceptance rate increased from 33% in 2018 to 37% in 2019 while the impact factor decreased slightly from 1.225 in 2018 to 1.192 in 2019. As expected for an international journal, articles accepted for publication in HPT in 2019 came from a wide range of countries from around the world; in 2019, the top 5 countries were the United States, Turkey, Australia, Brazil, and India.

Theme issues planned for the journal for 2020 and beyond include ones on Digital Transformation in Health Care, Healthy Heart Policy, and the importance of European Cooperation on Healthcare.

European cooperation is crucial for providing the highest possible quality of healthcare for the ~740 million citizens on the continent. Innovations in European healthcare also have a vital impact on global health. Many international organizations and institutes participate in European projects and initiatives on research, clinical care and health policy to achieve health goals that would be unattainable when operating solely within one's own country. There are also funding, ethical and political challenges to effective European cooperation on healthcare, including an impending possible Brexit.

In partnership with the Fellowship of Postgraduate Medicine, the HPT journal held a conference on European Cooperation on Healthcare at Erasmus University in Rotterdam in the Netherlands on 21st June 2019. The aim was to provide a forum for discussing best practice across the above key healthcare domains. The conference was jointly hosted by the Erasmus School of Health Policy and Management (ESHPM), with as local organisers Associate Professor Ken Redekop (HPT Editor-in-Chief) and researcher Lytske Bakker (HPT Commissioning Editor). Content from the meeting has appeared, and will continue to appear, in the HPT journal as editorials, commentaries, and review articles.

FINANCIAL REPORT FOR THE YEAR

Results for the year

The net income for the year was £349,920 (2018 - £345,133) before having taken account of realised gains on investments of £35,251 (2018 - losses of £14,439) and unrealised gains on investments of £393,048 (2018 – unrealised losses of £230,958).

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 yielded income of £122,498 (2018 - £98,799) and increased in value during the year to a market value of £3,501,467 (2018 - £2,766,340). The Council are satisfied with the performance of the investments in the year.

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.

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 £4,730,904 (2018 - £3,952,686). £92,059 (2018 - £110,095) 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 4,638,846 (2018 - £3,842,591). Council members are reviewing options for the 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, particularly in acknowledgement of the likely impact of the Coronavirus outbreak on investment performance and yields.

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

In making this assessment, the trustees have given regard to the impact of the Coronavirus outbreak on the operations and financial position of the charity. They acknowledge the likely future impact on investment performance and yields, however given the level of cash balances at the year end in comparison to ongoing operating costs, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

With regard to the next accounting period, the year ending 31 December 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the report of the Council for more information).

Signed on behalf of the Council:



Donald Singer

Approved by the Council on: 29 October 2020

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

Opinion

We have audited the financial statements of The Fellowship of Postgraduate Medicine (the 'charitable company') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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



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

30 October 2020

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of financial activities Year to 31 December 2019

		Unrestricted funds	
	Notes	2019 £	2018 £
Income and expenditure			
Income			
Investment income and interest receivable	1	122,498	105,162
Charitable activities			
. Postgraduate Medical Journal		630,747	590,832
. Health Policy and Technology		27,603	28,249
. Education and seminars		—	842
Other income			
. Discharged pension liability	16	—	15,541
Total income		780,848	740,626
Expenditure			
Cost of raising funds			
. Investment managers' fees		22,109	21,461
Expenditure on charitable activities	2		
. International Hippocrates Poetry awards, anthology and expenses		20,000	20,000
. Postgraduate Medical Journal		262,697	248,359
. Health Policy and Technology Journal		45,639	45,810
. Education – seminars, symposiums and support		80,483	59,863
Total expenditure		430,928	395,493
Net income before gains (losses) on investments for the year	4	349,920	345,133
Net gains (losses) on investments	9	428,299	(245,398)
Net income and net movement on funds		778,219	99,735
Reconciliation of funds:			
Balance brought forward at 1 January 2019		3,952,686	3,852,951
Balance carried forward at 31 December 2019		4,730,905	3,952,686

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

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 December 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	8		1,104		2,208
Investments	9		<u>4,122,230</u>		<u>3,200,934</u>
			4,123,334		3,203,142
Current assets					
Debtors	10	397,468		568,644	
Cash at bank and in hand		<u>374,703</u>		<u>311,168</u>	
		772,171		879,812	
Liabilities					
Creditors: amounts falling due within one year	11	<u>(164,600)</u>		<u>(130,268)</u>	
Net current assets			607,571		749,544
Total net assets			<u>4,730,905</u>		<u>3,952,686</u>
The funds of the charity					
Unrestricted funds					
. Designated fund	14		92,059		110,095
. General fund			<u>4,638,846</u>		<u>3,842,591</u>
Total charity funds			<u>4,730,905</u>		<u>3,952,686</u>

Approved by the Council
and signed on its behalf by:

Donald R S Singer

Donald Singer
Approved on: 29 October 2020

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

Cash flow statement 31 December 2019

	Notes	2019 £	2018 £
Cash flow from operating activities:			
Net cash provided by (used in) operating activities	A	434,034	(141,452)
Cash flow from investing activities:			
Dividends and interest from investments		122,498	105,162
Proceeds from the disposal of investments		418,841	116,230
Purchase of investments		(725,669)	(362,534)
Net cash used in investing activities		(184,330)	(141,452)
Change in cash and cash equivalents in the year		249,704	(285,594)
Cash and cash equivalents at 1 January 2019	B	745,762	1,031,356
Cash and cash equivalents at 31 December 2019	B	995,466	745,762

Notes to the cash flow statement for the year to 31 December 2019.

A Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	778,219	99,735
Adjustments for:		
Depreciation charge	1,104	1,104
(Gains) losses on investments	(428,299)	245,398
Dividends and interest from investments	(122,498)	(105,162)
(Decrease) increase in debtors	171,176	(415,236)
Increase in creditors	34,332	32,709
Net cash provided by (used in) operating activities	434,034	(141,452)

B Analysis of cash and cash equivalents

	1 January 2019 £	Movement in year £	31 December 2019 £
Cash at bank and in hand	311,168	63,535	374,703
Cash held by investment managers	434,594	186,169	620,763
Total cash and cash equivalents	745,762	249,704	995,466

Principal accounting policies 31 December 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 December 2019.

The financial statements have been prepared under the historical cost convention with items initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ('Charities SORP FRS 102'), the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the trustees to make significant judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

- ◆ the allocation of support costs between charitable expenditure categories and the cost of raising funds;
- ◆ estimating future income and expenditure flows for the purpose of assessing going concern (see below).

Assessment of going concern

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

In making this assessment, the trustees have given regard to the impact of the Coronavirus outbreak on the operations and financial position of the charity. They acknowledge the likely future impact on investment performance and yields, however given the level of cash balances at the year end in comparison to ongoing operating costs, the trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Assessment of going concern (continued)

With regard to the next accounting period, the year ending 31 December 2020, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the report of the Council for more information).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises investment income, income from publications and conferences.

Income from publications and conferences is recognised on a receivable basis in the financial year to which it relates.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the cost of 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.

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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 development, financial procedures, provision of office services and equipment and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the charity (including audit costs) and costs in respect to its compliance with regulation and good practice.

Support costs and governance costs are apportioned based on an estimation of the usage of the office at 11 Chandos Street.

Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

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 | - 20% on cost |
| ♦ Computer equipment | - 25% on cost |
| ♦ Leasehold refurbishment | - over the remaining life of the lease |

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The charity does not acquire put options, derivatives or other complex financial instruments.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) 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 2019

1 Investment income and interest receivable

	Total 2019 £	Total 2018 £
Income from listed investments		
. UK equities	64,621	52,818
. UK fixed interest	4,806	4,471
. UK unit trusts	8,322	6,339
. Overseas equities	17,587	21,672
. Overseas fixed interest	15,406	9,397
. Other	4,364	4,102
	115,106	98,799
Bank interest	7,392	6,363
	122,498	105,162

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

	Total 2019 £	Total 2018 £
International Hippocrates Poetry awards, anthology and expenses		
Grants awarded	20,000	20,000
Postgraduate Medical Journal		
Direct costs		
. Production, promotion, despatch and website development	58,127	51,608
. Publisher's share of surplus - British Medical Association	126,318	118,166
. Editorial costs	72,578	72,578
. Other direct costs	895	—
Support costs (note 3)	4,779	6,007
	262,697	248,359
Health Policy and Technology – new journal costs		
Direct costs		
. Fellowship members' subscriptions	25,600	25,600
. Editorial costs	8,000	8,000
. Legal and professional fees	7,260	6,203
Support costs (note 3)	4,779	6,007
	45,639	45,810
Education – seminars, symposiums and support		
Direct costs		
. Current year	33,650	21,818
. Prior year under accrual	16,563	—
Support costs (note 3)	30,270	38,045
	80,483	59,863
Grand total	408,819	374,032

Notes to the financial statements 31 December 2019

3 Support costs

	Post-graduate Medical Journal £	Health, policy and technology £	Education £	Total 2019 £
Council and other meetings	402	402	2,549	3,353
Rent, rates, light and heat	1,962	1,962	12,429	16,353
Office equipment < £1,000				
Legal and professional fees	36	36	228	300
Depreciation and loss on disposals	132	132	840	1,104
Printing, postage and stationery	73	73	466	612
Sundry expenses	24	24	146	194
Telephone	374	374	2,364	3,112
Governance costs (note 4)	1,776	1,776	11,248	14,800
2019 Total funds	4,779	4,779	30,270	39,828

	Post-graduate Medical Journal £	Health, policy and technology £	Education £	Total 2018 £
Council and other meetings	1,540	1,540	9,752	12,832
Rent, rates, light and heat	1,635	1,634	10,354	13,623
Office equipment < £1,000	105	106	669	880
Legal and professional fees	396	396	2,505	3,297
Depreciation and loss on disposals	132	132	839	1,103
Printing, postage and stationery	2	2	13	17
Sundry expenses	62	62	392	516
Telephone	359	359	2,273	2,991
Governance costs (note 4)	1,776	1,776	11,248	14,800
2018 Total funds	6,007	6,007	38,045	50,059

4 Governance costs

	2019 £	2018 £
Audit services	9,800	9,800
Accountancy services	5,000	5,000
	14,800	14,800

Notes to the financial statements 31 December 2019

5 Net income before gains on investments

This is stated after charging:

	2019 £	2018 £
Depreciation	1,104	1,104
Auditor's remuneration		
. Audit	9,800	9,800
. Accountancy, taxation and other services	5,000	5,000
Operating lease rentals	10,000	10,000

6 Staff costs and Council Members' remuneration

There were no employees during the year (2018 - none).

No members of the Council received £nil in respect of their services as a member of the Council during the year (2018 - £nil).

Expenses of £7,041 (2018 - £10,269) were reimbursed to three (2018 - two) members of the Council in connection with work on the journals, core Fellowship business and delivering medical symposiums. These costs were predominantly travel, subsistence and related costs and included costs incurred on behalf of other Council members. Individuals are not remunerated in their capacity as members of the Council.

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.

Notes to the financial statements 31 December 2019

8 Tangible fixed assets

	Furniture, fixtures and equipment £	2019 Total
Cost		
At 1 January 2019	9,642	9,642
Additions	—	—
At 31 December 2019	<u>9,642</u>	<u>9,642</u>
Depreciation		
At 1 January 2019	7,434	7,434
Charge for year	1,104	1,104
At 31 December 2019	<u>8,538</u>	<u>8,538</u>
Net book values		
At 31 December 2019	<u>1,104</u>	<u>1,104</u>
At 31 December 2018	<u>2,208</u>	<u>2,208</u>

	Furniture, fixtures and equipment £	2018 Total
Cost		
At 1 January 2018	9,642	9,642
Additions	—	—
At 31 December 2018	<u>9,642</u>	<u>9,642</u>
Depreciation		
At 1 January 2018	6,330	6,330
Charge for year	1,104	1,104
At 31 December 2018	<u>7,434</u>	<u>7,434</u>
Net book values		
At 31 December 2018	<u>2,208</u>	<u>2,208</u>
At 31 December 2017	<u>3,312</u>	<u>3,312</u>

9 Investments

	2019 £	2018 £
Listed investments		
Market value at 1 January 2019	2,766,340	2,762,434
Additions at cost	725,669	365,534
Disposals at carrying value (proceeds: £418,841 realised gain: £35,251)	(383,590)	(130,670)
Net unrealised investment gains (losses)	393,048	(230,958)
Market value at 31 December 2019	<u>3,501,467</u>	2,766,340
Cash held by investment managers for re-investment	<u>620,763</u>	434,594
	<u>4,122,230</u>	<u>3,200,934</u>
Cost of listed investments at 31 December 2019	<u>2,828,983</u>	<u>2,245,685</u>

Notes to the financial statements 31 December 2019

9 Investments (continued)

Listed investments held at 31 December 2019 comprised the following:

	2019 £	2018 £
UK equities	2,432,596	1,845,621
Non UK equities	637,359	597,709
UK Fixed interest stock	178,045	117,152
Non UK Fixed interest stock	121,184	125,851
Alternative investments	132,283	80,007
	3,501,467	2,766,340

The following investments were individually more than 5% of the Charity's listed investments:

Units	2019 £	%
50,000 J P Morgan Asset Managers US Equity Income C	177,341	5.08

Units	2018 £	%
50,000 J P Morgan Asset Managers US Equity Income C	147,500	5.33

After the year end date, the valuation of listed investments was significantly impacted by the market volatility with respect to COVID-19. In the first quarter of the year the valuation of the portfolio suffered an initial decrease, however has subsequently recovered and as at 30 September 2020 the valuation was £3,745,898.

10 Debtors

	2019 £	2018 £
Trade debtors	381,037	549,024
Prepayments and accrued income	16,431	19,620
	397,468	568,644

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	28,346	45,058
VAT payable	136,254	85,210
	164,600	130,268

12 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.

13 Leasing commitments

Operating leases

At 31 December 2019 the Fellowship had the following future minimum commitments under non-cancellable operating leases:

	Land and buildings	
	2019 £	2018 £
Operating leases which expire:		
Within one year	10,000	10,000
Between two and five years	—	—

14 Designated funds

	At 1 January 2019 £	New designat- ions £	Utilised in year £	At 31 December 2019 £
New journal fund	110,095	27,603	(45,639)	92,059
	110,095	27,603	(45,639)	92,059

	At 1 January 2018 £	New designat- ions £	Utilised in year £	At 31 December 2018 £
New journal fund	127,656	28,249	(45,810)	110,095
	127,656	28,249	(45,810)	110,095

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.

15 Analysis of net assets

The total unrealised gains as at 31 December 2019 constitutes movements on revaluation and are as follows:

	2019 £	2018 £
Unrealised gains included above:		
On investments	672,484	520,655
Total unrealised gains at 31 December 2019	672,484	520,655
Reconciliation of movements in unrealised gains		
Unrealised gains at 1 January 2019	520,655	789,301
Less: in respect to disposals in the year	(241,229)	(23,248)
	279,436	766,053
Add: net gains (losses) arising on revaluation arising in the year	393,048	(245,398)
Total unrealised gains at 31 December 2019	672,484	520,655

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 2014.

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 is 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 was therefore recognised for these payments as at 31 December 2013. A balance of £15,541 remained outstanding as at 31 December 2018.

The Fellowship received confirmation on 18 May 2018 that their liabilities with respect to this scheme had been discharged and this creditor has been released during the year ended 31 December 2018.

17 Related party transactions

During the year the Fellowship made a donation of £20,000 to the Hippocrates Prize for Poetry and Medicine (2018 - £20,000).

The Hippocrates Prize is organised by the Hippocrates Initiative an unincorporated society, founded and jointly managed by Professor D R J Singer, President of the Fellowship of Postgraduate Medicine.

Detailed income and expenditure account Year to 31 December 2019

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

	2019 £	2019 £	2018 £	2018 £
Income				
Journal: PMJ				
. Subscriptions	40,309		39,308	
. Local editions	—		2,179	
. Internet subscriptions	527,551		487,870	
. Electronic licence income	33,526		20,563	
. Internet income	2,363		1,988	
. Advertising-back archive income	407		5,737	
. Royalties	2,180		3,671	
. Other publishing income	24,411		29,515	
		630,747		590,831
Journal: Health Policy and Technology				
. Editorial stipend income	12,000		12,000	
. Royalty income	15,603		16,249	
		27,603		28,249
Education seminars		—		842
Discharge of pension liability		—		15,541
Expenditure				
Journal: PMJ				
. Production, promotion and despatch	52,963		51,608	
. Publishers commission net of allowances	126,318		118,166	
	179,281		169,774	
. Editorial costs	78,637		72,578	
		(257,918)		(242,352)
Journal: Health Policy and Technology				
. Fellowship members' subscriptions	25,600		25,600	
. Editorial costs	8,000		8,000	
. Legal and professional fees	7,260		6,203	
		(40,860)		(39,803)
Seminar and symposia direct costs		(50,213)		(21,818)
Gross income carried forward		309,359		331,491

Detailed income and expenditure account Year to 31 December 2019

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

	2019 £	2019 £	2018 £	2018 £
Gross income brought forward		309,359		331,491
Establishment and support costs:				
Council and other meetings	3,353		12,832	
Rent, rates, light and heat	16,353		13,623	
Office equipment <£1,000	—		880	
Legal and professional fees	300		3,297	
Depreciation and losses on disposals	1,104		1,103	
Printing, postage and stationery	612		17	
Sundry expenses	194		516	
Telephone	3,112		2,991	
	25,028		35,259	
Financial				
Audit and accountancy	14,800		14,800	
Investment fund management fees	22,109		21,461	
	36,909		36,261	
Operating charges		(61,937)		(71,520)
Net incoming resources		247,422		259,971
Other income				
Investment income	115,106		98,799	
Deposit interest	7,392		6,363	
		122,498		105,162
International Hippocrates Awards				
Grants awarded	20,000		20,000	
		(20,000)		(20,000)
Realised gains (losses) on investments		35,251		(14,440)
Unrealised gains (losses) on investments		393,048		(230,958)
Net movement in funds		778,218		99,735