

Charity Registration No. 313355

Company Registration No. 00721213 (England and Wales)

THE FELLOWSHIP OF POSTGRADUATE MEDICINE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



THE FELLOWSHIP OF POSTGRADUATE MEDICINE

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members

Prof P Barnes DM DSc FRCP FCCP FMedSci FRS
Prof B Cheung MA MB BChir PhD MRCP FRCP FCP
FHKCP FHKAM
Mr W Dimitri FRCS
Dr J W F Elte MD PhD FRCP FACP FEFIM (Hon)
Prof A Ferro PhD FRCP FBPhS
Dr Andrew Long MA MBBS FRCPC FRCP FAcadMed (Appointed 20 April 2020)
FHEA DCH
Dr T R J Nicolson BSc MSc PhD MRCP MRCPsych
Prof K Redekop PhD
Prof D R J Singer BMedBiol MD FRCP FBPhS
Dr D Slovic MA PhD FRCP
Prof J A Vale MD FRCP FBTS FBPhS

Secretary

Broadway Secretaries Limited

Charity number

313355

Company number

00721213

Principal address

One Bartholomew Close
London
EC1A 7BL

Auditor

HW Fisher LLP
Acre House
11 - 15 William Road
London
NW1 3ER
United Kingdom

Investment advisors

Rathbone Investment Manager Limited
159 New Bond Street
London
W1S 2UD

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

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THE FELLOWSHIP OF POSTGRADUATE MEDICINE

THE REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

The members of the Council, who are trustees of the charity for the purposes of charity law and directors for the purposes of company law, present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the governing document, Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

The Fellowship of Postgraduate Medicine is a registered charity and a company limited by guarantee, not having a share capital, 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. The FPM 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 College 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 health policy conferences and other 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.

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 attend regular Trustee Training Workshops. Council members are updated as required on Charity Commission best practice.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

THE REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

The following Members served during the year and up to the date of this report except where shown:

| | |
|--|--|
| Council Members | |
| Prof. P J Barnes | |
| Prof. B Cheung (Ex-officio) | |
| Dr. W R Dimitri (Honorary Treasurer) | |
| Dr. J W F Elte | |
| Prof. A Ferro | |
| Prof. A Halliday | Resigned - 20 April 2020 |
| Dr. A Long | Appointed Council Member 20 April 2020 |
| Dr. T R J Nicholson (Honorary Secretary) | |
| Prof. K Redekop | Appointed Honorary Secretary 26 May 2021 |
| Prof. D R J Singer (President) | |
| Dr. D I 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 (the latter appointed to Council 26th May 2021).

Honorary Fellows

Prof D Ingram

Key management personnel

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. Investment decisions are delegated to the Fellowship's Investment Manager at Rathbone Investment Management Limited and monitored by the Honorary Treasurer and President.

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 along with the ex-officio members of the Council.

No Council Member received any remuneration for services as a member of the Council during the year (2020 - none).

GOVERNANCE, STRUCTURE AND MANAGEMENT

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 FELLOWSHIP OF POSTGRADUATE MEDICINE

THE REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

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, webinars, workshops and symposia, and related activities.

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 journals 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.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

THE REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE

The Fellowship of Postgraduate Medicine

Review of activities in 2020 and future plans for 2021 and beyond

The FPM continues its interest in supporting national and international postgraduate medical education through its international journals the Postgraduate Medical Journal (PMJ), founded in 1925, and Health Policy and Technology (HPT), founded in 2012, and by organizing conferences and workshops. See reports below from the Editors-in-Chief of these publications for additional information on the journals.

In response to restrictions on physical meetings as part of public health efforts to control the COVID-19 pandemic, the FPM developed new online approaches to providing updates on clinical medicine. Sessions were well-supported as organisers, speakers and chairs by FPM Fellows, by the Editors-in-Chief Professor Bernard Cheung (Postgraduate Medical Journal) and Associate Professor Ken Redekop (Health Policy and Technology), colleagues from their editorial teams and authors from the journals. These sessions attracted a wider range of international expert speakers than in previous conventional conference and new interest from UK delegates and new international audiences from North America, Europe, Africa, the Middle East, South and East Asia and Oceania.

Session topics included: "Diagnostic and digital solutions to support addressing the SARS-COVID-19 pandemic"; "What is the value of a diagnostic test during a pandemic?"; "Managing difficult hypertension"; "Advances in Asthma"; "Medical burn-out"; and "Cardiovascular risk and lipid management: how far do you want to go?" Speakers and discussants were from Australia, Ireland, Malaysia, the Netherlands, Spain, Sweden, Hong Kong, the UK and the USA (Chicago, New York and San Francisco). Please see the FPM website for details of speakers and sessions programmes (details on thefpm.org.uk).

The public, health professionals and policymakers increasingly use social media as a source for health information and to guide important decisions on choices and actions about prevention and treatment of disease. However, the world is also faced by a pandemic of fake news and half-truths on health matters. In 2020, to encourage recognition of trusted medical writing in social media, the Fellowship of Postgraduate Medicine launched annual International Awards for Medical Writing, in partnership with its journals, the Postgraduate Medical Journal and Health Policy and Technology. These inaugural awards attracted an excellent field of international entrants. At an online awards session on 30 November 2020, the winners, from the USA, Canada, the UK, Germany, India, Australia and Nigeria, were announced on behalf of the judges by PMJ Editor-in-Chief, Bernard Cheung, who joined the session from Hong Kong and Publisher Henry Spilberg from BMJ publications in London and by HPT Editor-in-Chief, Associate Professor Ken Redekop from Erasmus University in Rotterdam and HPT Publisher Jose Mena from Elsevier in Barcelona.

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THE REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

The International Prize went to physician and Year 3 Postgraduate trainee Madeline Rodriguez from Johns Hopkins Medical School, Baltimore, USA for "Flattening the curve". Her winning entry concerned reflections on a practical response to needs arising from the COVID-19 pandemic. She discussed a fresh view of learning relationships among clinical staff prompted by experience at the bedside arising from the need for senior staff to reskill and junior staff to acquire new skills. Others shortlisted for the International Prize were Connor Brenna, MD Candidate at the University of Toronto in Canada for "Individual responsibility and triage priority", Emma Connor, Director and Child Psychotherapist from Your Space Therapies Ltd in Burgess Hill, England for "Supporting schools after lockdown", joint entrants Assistant Professor Latika Gupta from the Sanjay Gandhi Post Graduate Institute of Medical Sciences in Lucknow, India and Associate Professor of Medicine Ashish Goel from the University College of Medical Sciences in Delhi, India for "Social Media in the times of COVID-19"; Nurse Educator Rhian Last from Leeds, England for "COVID-19, fake news and the role of the general practice nurse" and Charlotte Squires, Registrar in Geriatric and General Internal Medicine from Melrose, Scotland for "The view from the other side".

The Regional Award for Europe went to Charlotte Squires, Melrose, Scotland, the Award for North America to Madeline Rodriguez, Baltimore, USA, the Award for Africa to Abdullah Olaiya, postgraduate student in Biomedical Engineering at University of Ibadan in Nigeria for "Medical devices between fail-safe and safe-life", the Award for Asia to Assistant Professor Latika Gupta, Lucknow and Professor Ashish Goel, India and the Regional Award for Australia to Professor Ian Wicks, Joint Head of Clinical Translation and Professor and Director of Rheumatology at the Royal Melbourne Hospital Walter & Eliza Hall Institute in Melbourne, Australia "Poetic praise for an award well won" (more details on thefpm.org.uk).

During 2020, the FPM also provided major support towards the international Hippocrates Prize for Poetry and Medicine. FPM-Hippocrates awards were announced at an online awards event on 15 May 2020. The judges for the FPM-Hippocrates awards were Sir Roland Jackson Bt, Visiting Fellow of the Royal Institution and former Head of Museum at the Science Museum, Geoffrey Lehmann, the first Australian poet to be published by Faber and Faber and John Stein, Oxford Professor of Physiology and Chair of the Dyslexia Research Trust. First Prize in the FPM-Hippocrates Open Awards went to poet, fiction writer and journalist Sarah James from Droitwich in Worcestershire for *People Scare Me Because*. The First Prize in the FPM-Hippocrates Health Professional Awards went to retired General Practitioner Judith Wozniak from Fareham in Hampshire for her poem *First Do No Harm*.

For 2021 and beyond, the FPM plans to continue its series of online updates on clinical medicine and on health policy. Further activities will include a 3rd FPM Conference series on Advances in Medicine as a series of 5 monthly online conference sessions. An additional Conference series is planned in 2021 to mark the 10th Anniversary of the launch of the FPM's journal *Health Policy and Technology* as a series of 5 monthly conference webinars. During 2021, the FPM will also hold its *Second Annual International Awards for Medical Writing*. The next formal in person FPM Annual Advances in Medicine Conference is planned for December 2022 at the Royal College of Physicians in London.

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THE REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

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

In 2020, this journal received a record number of manuscripts, 2046 in all. This was more than twice the number of submissions compared to 2019 (991) and more than three times the number of submissions in 2015 (624). The acceptance rate was 21%. The increase was partly due to research articles and commentaries related to COVID-19, and could also be due to authors having more time to write during lockdowns.

The mean time to the first editorial decision decreased from 27 days in 2019 to 12 days in 2020 (median 6 days). This was largely due to the Editor-in-Chief spending twice as many days on the journal. The mean time from submission to acceptance also decreased, from 77 days to 48 days (median 32 days). Articles were published online, on average, 21 days after acceptance, and about 5.5 months later in print. The publication times were slightly longer than in the previous year, probably because of the increase in the number of articles. The journal continued to receive and publish articles from all over the world; the submitted articles came, in descending order, from India (23%), UK (18%), China (15%), USA (8%) and Japan (5%).

The journal's impact factor increased, from 1.911 in 2019 to 2.4 in 2020. It is hoped that this will lead to an increase in the quality of submitted articles. Although the print run of the journal is low, the journal is widely read online, with nearly 3.5 million page views in 2020. As the PMJ is now a Plan S compliant Transformative Journal, there is a commitment to increase currently low percentage of Open Access articles. This would be an objective over the next few years.

The annual meeting of the editors was held on 26 October 2020 online. The key performance indicators of the journal in 2019 were presented and future strategies were discussed. The Minutes of the previous meeting were approved. The next meeting of the editors will be held in October 2021. This will be an online half-day meeting since the pandemic is not yet over.

In 2020, two special themed issues, on burnout and on infectious diseases, were published. These were planned before the COVID-19 pandemic started, and happened to be very timely topics during a pandemic. Since these themed issues came out, the journal continued to receive many articles on the welfare of junior doctors and on infectious diseases.

The challenges facing PMJ in 2021 include coping with the increasing number of submissions, keeping up to date with the latest reports on COVID-19 worldwide and increasing the number of Open Access articles.

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

In 2020, the journal's impact factor increased substantially, from 1.196 in 2019 to 1.931. There are likely to be multiple factors responsible for this, including the large number of citations of certain articles e.g. on concerns about fake news and on electronic health records. Regarding full text usage, 2020 saw an increase in the number of manuscripts that were downloaded or viewed online (117,101 vs 90,941 in 2019). This reflects a steady upward trend in usage; for example, in 2016, there were only 43,532 downloads and views.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

THE REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

In 2020, HPT experienced a dramatic increase in manuscript submissions (n=458), which was more than twice the number of submissions compared to 2019 (209) and approximately five times the number of submissions in 2017 (91). The increase seen in 2020 appears to correspond with increases seen by other journals. Many manuscripts were related in some way to COVID-19. However, COVID-19 alone cannot explain the increase.

The acceptance rate in 2020 was 23%, which is lower than in the previous years (2018, 33%; 2019, 32%). This decrease was mainly due to the increased number of desk rejections (made before sending the manuscript out for review).

The average time to the first editorial decision decreased from 7.7 weeks in 2019 to 1.7 weeks in 2020. This dramatic decrease is largely due to the increased number of desk rejections. Similarly, the average time from submission to acceptance also decreased (from 33 weeks to 21 weeks). The time to online publication was only slight longer than the time to acceptance (22 vs 21 weeks); the time to final publication was 36 weeks, which was also shorter than the time seen in 2019 (43 weeks). In fact, all times showed a substantial decrease compared to previous years, probably in large part because of more desk rejections than in previous years. In 2020, the journal continued to receive and publish articles from authors around the world. For the latest 3-year period for the Journal, countries with the most published papers were: USA (44), UK (31), Netherlands (25), Australia (24), Italy (17), Canada (16), Turkey (14), South Korea (13), Iran (10) and Norway (10). In 2020 in descending order, the most submitted articles came from authors in India (n=76), Iran (n=66), Turkey (n=40), USA (n=38) and China (n=32).

In 2020, one special issue on COVID-19 was published, which consisted of open access articles describing policies and experiences in different countries and regions around the world. Articles in this special issue were amongst the most cited articles in 2020, likely because of the topic but perhaps also because of their open access status.

During 2020, Elsevier submitted an application to the US National Library of Medicine to include Health Policy and Technology in MEDLINE. The contents of this application were prepared together with our publisher Jose Mena and his colleagues at Elsevier.

Looking to 2021 and beyond, to mark the 10th anniversary of the journal in 2021, HPT, together with health policy catalyst Vital Transformation, is organising a series of five webinars on highly relevant topics with excellent panels of international speakers. The strategy is twofold: a legacy on these themes with speakers submitting papers and podcasts based on their talks available on the FPM and HPT website and to show participants that the HPT is interested in papers on these topics. Another aim is greater social media presence, which is being supported by a very enthusiastic and capable new international group of social media editors from Australia, India, Morocco, the UK and the USA. HPT will continue to explore ways to improve the quality and relevance of submissions.

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THE REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REPORT FOR THE YEAR

Results for the year

The net income for the year was £602,905 (2019 - £778,219) after having taken account of realised gains on investments of £29,769 (2019 - gains of £35,251) and unrealised gains on investments of £194,097 (2019 — unrealised gains of £393,048).

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 12 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 £101,650 (2019 - £122,948) and increased in value during the year to a market value of £4,421,372 (2019 - £4,122,230). 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 £5,321,326 (2019 - £4,730,905). £99,860 (2019 £92,059) 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 £5,221,466 (2019 - £4,638,846). 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.

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THE REPORT OF THE COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2020

Assessment of going concern

In making this assessment, the Council have given regard to the impact of the Coronavirus outbreak on the operations and financial position of the charity. The charity has had to make some adjustments as a result of the pandemic, but that it has not been significantly affected and in light of the level of the charity's cash balances in comparison with on-going 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 Council 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 2021, 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).

As a consequence of this at the time of approving the Financial statements, the Board have a reasonable expectation that the Charity has adequate resources to continue the operational existence for the foreseeable future. Thus the Council continue to adopt the going concern basis of accounting in preparing the Financial statements.

Disclosure of information to auditor

Each of the Council Members has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Council Member's report was approved by the Council.



.....
Donald Singer

Council Member

Dated: 27th September 2021

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company Law requires the Council Members 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 charitable company for that year.

In preparing these financial statements, the Council Members 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Council Members are responsible for keeping adequate 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.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

INDEPENDENT AUDITOR'S REPORT

TO THE COUNCIL MEMBERS OF THE FELLOWSHIP OF POSTGRADUATE MEDICINE

Opinion

We have audited the financial statements of The Fellowship of Postgraduate Medicine (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the Council Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council Members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the Council Members' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Council Members' report 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Council Members' report.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF THE FELLOWSHIP OF POSTGRADUATE MEDICINE

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council Members 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 Council Members' report and from the requirement to prepare a strategic report.

Responsibilities of Council Members

As explained more fully in the statement of Council Members' responsibilities, the Council Members, who are also the directors of the charity for the purpose 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 Council Members 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 Council Members 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 Council Members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The charity did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charity SORP, FRS 102, Charities Act 2011 and Companies Act 2006.
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the charity, together with the discussions held with the charity at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the Council Minutes for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees of the charity.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COUNCIL MEMBERS OF THE FELLOWSHIP OF POSTGRADUATE MEDICINE

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 auditors' 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.

Andrew Rich (Senior Statutory Auditor)
for and on behalf of HW Fisher LLP

Chartered Accountants
Statutory Auditor
Acre House
11 - 15 William Road
London
NW1 3ER
United Kingdom

27/9/21.....

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

| | | Unrestricted funds 2020 £ | Unrestricted funds 2019 £ |
|---|-------|------------------------------------|------------------------------------|
| | Notes | | |
| <u>Income from:</u> | | | |
| <u>Income from charitable activities</u> | | | |
| Postgraduate Medical Journal | 3 | 620,915 | 630,747 |
| Health Policy and Technology Journal | 3 | 37,702 | 27,603 |
| Investments | 4 | 101,650 | 122,498 |
| Total income | | 760,267 | 780,848 |
| <u>Expenditure on:</u> | | | |
| Raising funds | 5 | 23,576 | 22,109 |
| Charitable activities | 6 | 357,652 | 408,819 |
| Total resources expended | | 381,228 | 430,928 |
| Net gains/(losses) on investments | 10 | 223,866 | 428,299 |
| Net movement in funds | | 602,905 | 778,219 |
| Fund balances at 1 January 2020 | | 4,730,905 | 3,952,686 |
| Fund balances at 31 December 2020 | | 5,333,810 | 4,730,905 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

BALANCE SHEET

AS AT 31 DECEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 5,514 | | 1,104 |
| Investments | 12 | | 4,421,372 | | 4,122,230 |
| | | | <u>4,426,886</u> | | <u>4,123,334</u> |
| Current assets | | | | | |
| Debtors | 14 | 152,964 | | 397,468 | |
| Cash at bank and in hand | | 969,177 | | 374,703 | |
| | | <u>1,122,141</u> | | <u>772,171</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(215,217)</u> | | <u>(164,600)</u> | |
| Net current assets | | | 906,924 | | 607,571 |
| Total assets less current liabilities | | | <u>5,333,810</u> | | <u>4,730,905</u> |
| Income funds | | | | | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 18 | 82,061 | | 92,059 | |
| General unrestricted funds | | <u>5,251,749</u> | | <u>4,638,846</u> | |
| | | | <u>5,333,810</u> | | <u>4,730,905</u> |
| | | | <u>5,333,810</u> | | <u>4,730,905</u> |

The financial statements were approved by the Council Members on 27th September 2021

Donald R J Singer

Prof D R J Singer BMedBiol MD FRCP FBPhS
Trustee

Company Registration No. 00721213

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 21 | | 573,854 | | 434,034 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (5,754) | | - | |
| Purchase of investments | | (907,872) | | (725,669) | |
| Proceeds on disposal of investments | | 569,063 | | 418,841 | |
| Investment income received | | 101,650 | | 122,498 | |
| Net cash used in investing activities | | | (242,913) | | (184,330) |
| Net cash used in financing activities | | | - | | - |
| Net increase in cash and cash equivalents | | | 330,941 | | 249,704 |
| Cash and cash equivalents at beginning of year | | | 995,466 | | 745,762 |
| Cash and cash equivalents at end of year | | | 1,326,407 | | 995,466 |

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

The Fellowship of Postgraduate Medicine is a private company limited by guarantee incorporated in England and Wales. The registered office is One Bartholomew Close, London, United Kingdom, EC1A 7BL.

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

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, and rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

In making this assessment, the Council have given regard to the impact of the Coronavirus outbreak on the operations and financial position of the charity. The charity has had to make some adjustments as a result of the pandemic, but that it has not been significantly affected and in light of the level of the charity's cash balances in comparison with 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 Council 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 2021, 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).

As a consequence of this at the time of approving the Financial statements, the Board have a reasonable expectation that the Charity has adequate resources to continue the operational existence for the foreseeable future. Thus the Council continue to adopt the going concern basis of accounting in preparing the Financial statements.

1.3 Charitable funds

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.

1.4 Income

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.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

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.

1.6 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:

| | |
|-----------------------|-------------|
| Fixtures and fittings | 20% on cost |
| Computers | 25% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 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.

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.

1.8 Cash and cash equivalents

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.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Other than fixed asset investments, the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

1.10 Leased asset

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.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Council Members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. There were no critical accounting estimates in the year in question.

3 Income from charitable activities

| | Postgraduate Medical Journal | Health Policy and Technology Journal | Total 2020 | Postgraduate Medical Journal | Health Policy and Technology Journal | Total 2019 |
|-------------------|---------------------------------|--|-----------------|---------------------------------|--|-----------------|
| | 2020 | 2020 | | 2019 | 2019 | |
| | £ | £ | £ | £ | £ | £ |
| Publishing income | 620,915 | 37,702 | 658,617 | 630,747 | 27,603 | 658,350 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

4 Investments

| | Unrestricted funds | Unrestricted funds |
|--------------------------------|-----------------------|-----------------------|
| | 2020 | 2019 |
| | £ | £ |
| Income from listed investments | 98,852 | 115,106 |
| Interest receivable | 2,798 | 7,392 |
| | <u> </u> | <u> </u> |
| | 101,650 | 122,498 |
| | <u> </u> | <u> </u> |

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Raising funds

| | Unrestricted funds | Unrestricted funds |
|----------------------------------|--------------------|--------------------|
| | 2020 | 2019 |
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Other fundraising costs | 23,576 | 22,109 |
| | <u>23,576</u> | <u>22,109</u> |

6 Charitable activities

| | Hippocrates Poetry Award | Postgraduate Medical Journal | Seminars and events | Health policy and Technology | Total 2020 | Total 2019 |
|--|--------------------------|------------------------------|---------------------|------------------------------|----------------|----------------|
| | 2020 | 2020 | 2020 | 2020 | | |
| | £ | £ | £ | £ | £ | £ |
| Event costs | - | - | 17,819 | - | 17,819 | 50,213 |
| Production, promotion, dispatch and website development | - | 51,017 | - | - | 51,017 | 58,127 |
| Legal and professional fees | - | - | - | - | - | 7,260 |
| Fellowship members' subscriptions | - | - | - | 29,901 | 29,901 | 25,600 |
| Editorial costs | - | 66,102 | - | 12,000 | 78,102 | 80,578 |
| Grants awarded | 20,000 | - | - | - | 20,000 | 20,000 |
| Publisher's share of surplus - British Medical Association | - | 124,183 | - | - | 124,183 | 126,318 |
| Other direct costs | - | - | - | 355 | 355 | 895 |
| | <u>20,000</u> | <u>241,302</u> | <u>17,819</u> | <u>42,256</u> | <u>321,377</u> | <u>368,991</u> |
| Share of support costs (see note 7) | 1,445 | 18,056 | 1,204 | 3,370 | 24,075 | 25,028 |
| Share of governance costs (see note 7) | 732 | 8,784 | 610 | 2,074 | 12,200 | 14,800 |
| | <u>22,177</u> | <u>268,142</u> | <u>19,633</u> | <u>47,700</u> | <u>357,652</u> | <u>408,819</u> |

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Charitable activities

(Continued)

For the year ended 31 December 2019

| | Hippocrates Poetry Award | Postgraduate Medical Journal | Seminars and events | Health policy and Technology | Total 2019 |
|---|-----------------------------|------------------------------------|------------------------|------------------------------------|----------------|
| | £ | £ | £ | £ | £ |
| Event costs | - | - | 50,213 | - | 50,213 |
| Production, promotion, dispatch and website development | - | 58,127 | - | - | 58,127 |
| Legal and professional fees | - | - | - | 7,260 | 7,260 |
| Fellowship members' subscriptions | - | - | - | 25,600 | 25,600 |
| Editorial costs | - | 72,578 | - | 8,000 | 80,578 |
| Grants awarded | 20,000 | - | - | - | 20,000 |
| Publisher's share of surplus - British Medical Association | - | 126,318 | - | - | 126,318 |
| Other direct costs | - | 895 | - | - | 895 |
| | <u>20,000</u> | <u>257,918</u> | <u>50,213</u> | <u>40,860</u> | <u>368,991</u> |
| Share of support costs (see note 7) | - | 3,003 | 19,022 | 3,003 | 25,028 |
| Share of governance costs (see note 7) | - | 1,776 | 11,248 | 1,776 | 14,800 |
| | <u>20,000</u> | <u>262,697</u> | <u>80,483</u> | <u>45,639</u> | <u>408,819</u> |
| Analysis by fund | | | | | |
| Unrestricted funds | <u>20,000</u> | <u>262,697</u> | <u>80,483</u> | <u>45,639</u> | <u>408,819</u> |

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Support costs

| | Support costs | Governance costs | 2020 | Support costs | Governance costs | 2019 |
|-----------------------------|---------------|------------------|---------------|---------------|------------------|---------------|
| | £ | £ | £ | £ | £ | £ |
| Depreciation | 1,344 | - | 1,344 | 1,104 | - | 1,104 |
| Council and other meetings | - | - | - | 3,353 | - | 3,353 |
| Rent, rates, light and heat | 13,401 | - | 13,401 | 16,353 | - | 16,353 |
| Legal and professional fees | 3,863 | - | 3,863 | 300 | - | 300 |
| Other costs | 5,467 | - | 5,467 | 3,918 | - | 3,918 |
| Audit fees | - | 7,450 | 7,450 | - | 9,800 | 9,800 |
| Accountancy | - | 4,750 | 4,750 | - | 5,000 | 5,000 |
| | <u>24,075</u> | <u>12,200</u> | <u>36,275</u> | <u>25,028</u> | <u>14,800</u> | <u>39,828</u> |
| Analysed between | | | | | | |
| Charitable activities | <u>24,075</u> | <u>12,200</u> | <u>36,275</u> | <u>25,028</u> | <u>14,800</u> | <u>39,828</u> |

Governance costs includes payments to the auditors of £7,450 (2019- £9,800) for audit fees and £4,750 (2019- £5,000 for accountancy services.

8 Council Members

None of the Council Members (or any persons connected with them) received any remuneration or benefits from the charity during the year. Professor Ken Redekop, formerly an Ex-Officio member of the Council (subsequent to the year end a full member), receives an honorarium in connection with his editorial work on the Health Policy and Technology Journal. In 2020 this sum was £12,000 (2019: £8,000) - the sum is £2,000 per quarter however the charge in respect of 2020 includes an under-provision in respect of the prior year. In addition, Professor Bernard Cheung (£20,000), an Ex-Officio member of the Board of Trustees, is granted an annual honorarium for editorial activities.

Expenses of £6,299 (2019 - £7,041) were reimbursed to one (2019 - three) members of the Council in connection with work on the journals, core Fellowship business and delivering medical symposiums. These amounts related predominantly to the reimbursement of event and equipment costs. Individuals are not remunerated in their capacity as members of the Council.

9 Employees

There were no employees in the current or prior year.

10 Net gains/(losses) on investments

| | Unrestricted funds | Unrestricted funds |
|------------------------------------|--------------------|--------------------|
| | 2020 | 2019 |
| | £ | £ |
| Revaluation of investments | 194,097 | 393,048 |
| Gain/(loss) on sale of investments | 29,769 | 35,251 |
| | <u>223,866</u> | <u>428,299</u> |

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

| | Fixtures and fittings | Computers | Total |
|------------------------------------|-----------------------|-----------|--------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2020 | 5,226 | 4,416 | 9,642 |
| Additions | - | 5,754 | 5,754 |
| At 31 December 2020 | 5,226 | 10,170 | 15,396 |
| Depreciation and impairment | | | |
| At 1 January 2020 | 5,226 | 3,312 | 8,538 |
| Depreciation charged in the year | - | 1,344 | 1,344 |
| At 31 December 2020 | 5,226 | 4,656 | 9,882 |
| Carrying amount | | | |
| At 31 December 2020 | - | 5,514 | 5,514 |
| At 31 December 2019 | - | 1,104 | 1,104 |

12 Fixed asset investments

| | Listed investments | Cash in portfolio | Total |
|--------------------------|--------------------|-------------------|-----------|
| | £ | | £ |
| Cost or valuation | | | |
| At 1 January 2020 | 3,501,467 | 620,763 | 4,122,230 |
| Additions | 907,872 | (907,872) | - |
| Valuation changes | 194,097 | - | 194,097 |
| Dividend income | - | 100,832 | 100,832 |
| Investment manager fees | - | (25,556) | (25,556) |
| Disposals | (539,294) | 569,063 | 29,769 |
| At 31 December 2020 | 4,064,142 | 357,230 | 4,421,372 |
| Carrying amount | | | |
| At 31 December 2020 | 4,064,142 | 357,230 | 4,421,372 |
| At 31 December 2019 | 3,501,467 | 620,763 | 4,122,230 |

13 Financial instruments

| | 2020 | 2019 |
|---|-----------|-----------|
| | £ | £ |
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | 4,064,142 | 3,501,467 |

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Debtors

| | 2020 | 2019 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 117,978 | 381,037 |
| Prepayments and accrued income | 34,986 | 16,431 |
| | <u>152,964</u> | <u>397,468</u> |

15 Creditors: amounts falling due within one year

| | 2020 | 2019 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Other taxation and social security | 199,017 | 136,254 |
| Accruals and deferred income | 16,200 | 28,346 |
| | <u>215,217</u> | <u>164,600</u> |

16 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.

17 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.

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Movement in funds | | | Movement in funds | | | |
|---|------------------------------|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|-----------------------------------|
| | Balance at 1 January 2019 | Incoming resources | Resources expended | Balance at 1 January 2020 | Incoming resources | Resources expended | Balance at 31 December 2020 |
| | £ | £ | £ | £ | £ | £ | £ |
| Health, Policy and Technology Journal | 110,095 | 27,603 | (45,639) | 92,059 | 37,702 | (47,700) | 82,061 |
| | <u>110,095</u> | <u>27,603</u> | <u>(45,639)</u> | <u>92,059</u> | <u>37,702</u> | <u>(47,700)</u> | <u>82,061</u> |

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.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2020 £ | 2019 £ |
|-----------------|-----------|-----------|
| Within one year | 10,000 | 10,000 |

20 Related party transactions

During the year the Charity made a donation of £20,000 to Hippocrates Prize for Poetry and Medicine (2019 - £20,000).

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

21 Cash generated from operations

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Surplus for the year | 602,905 | 778,219 |
| Adjustments for: | | |
| Investment income recognised in statement of financial activities | (101,650) | (122,498) |
| Gain on disposal of investments | (29,769) | (35,251) |
| Fair value gains and losses on investments | (194,097) | (393,048) |
| Depreciation and impairment of tangible fixed assets | 1,344 | 1,104 |
| Movements in working capital: | | |
| Decrease in debtors | 244,504 | 171,176 |
| Increase in creditors | 50,617 | 34,332 |
| Cash generated from operations | 573,854 | 434,034 |

22 Analysis of changes in net funds

The charity had no debt during the year.