

REGISTRAR OF COMPANIES

Fellowship of Postgraduate Medicine

Annual Report and Financial Statements

31 December 2011

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

Charity Registration Number
313355

TUESDAY



A1ESET4P

A04

07/08/2012

#384

COMPANIES HOUSE

Reports

Reference and administrative details of the charity, its trustees and advisers	1
Report of the Council	3
Independent auditor's report	11

Financial Statements

Statement of financial activities	13
Balance sheet	15
Principal accounting policies	16
Notes to the financial statements	18

The following pages do not form part of the statutory financial statements

Detailed income and expenditure account	24
Detailed schedule of investments	26

Reference and administrative details

Members of the Council

President	Prof D R J Singer BMedBiol MD FRCP
Honorary Secretary	Dr T Nicholson
Honorary Treasurer	Prof W L Currie BSc PhD
Members	Mr W Dimitri MRCP Prof A Ferro PhD FRCP Dr H Lim FFA Dr A Marsh PhD Dr C Missouri MD FRCP Dr R Moulding FFA Dr L T Newman CBE FRCGP FRNZCGP Prof D Saltman FRACGP MD FAFPHM Dr M Shaw FFA Dr D Slovic FRCP
Honorary Fellows	Mr J P Hopewell FRCS Prof D Ingram BA PhD FBCS CEng MRCP(Hon)
Editor	
Postgraduate Medical Journal Health Policy and Technology Journal	Dr F Moss FRCP Prof W Currie BSc PhD
Registered/Principal office	12 Chandos Street London W1G 9DR
Telephone	(020) 7636 6334
Facsimile	(020) 7436 2535
e-mail	admin@fpm-uk.org
Company registration number	00721213 (England and Wales)
Charity registration number	313355

Reference and administrative details

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

Report of the Council 31 December 2011

The Council Members present their statutory report with the financial statements of the Fellowship of Postgraduate Medicine for the year ended 31 December 2011

The financial statements have been prepared in accordance with the accounting policies set out on pages 16 and 17 of the attached financial statements and comply with the charitable company's memorandum and articles of association, applicable laws, and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" (SORP 2005) issued in March 2005

Governance, structure and management

Constitution

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

Organisation

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

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

The Council

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

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. A presentation by Buzzacott LLP staff on the subject at a Council meeting has also been proposed.

The following Members were in office at 31 December 2011 and served throughout the year except where shown

Council Members	Appointed/resigned
Dr I Curran	Resigned 6 June 2011
Prof W L Currie	
Dr W Dimitri	Appointed 6 June 2011
Prof A Ferro	
Dr H Lim	
Dr A Marsh	
Dr A Missouri	Appointed 6 June 2011
Dr R Moulding	
Dr L T Newman	
Dr T Nicholson	
Prof D Saltman	
Prof D R J Singer	
Dr M Shaw	
Dr D Slovick	Appointed 6 June 2011

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

Honorary Fellows

Mr J P Hopewell
Prof D Ingram
Dr D G James

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 Brothers PLC and monitored by the Honorary Treasurer.

No Council Member received any remuneration for services as a member of the Council during the year (2010 - 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 incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to

- ◆ 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 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.

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

Objectives, activities and relevant policies

Public Benefit

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

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 Postgraduate Medical Journal and its pending new journal – Health Policy and Technology
- 2 Education – seminars, workshops and symposia, and related activities

Achievements and performance

Review of activities and plans for 2011 and 2012

The following paragraphs outline the main achievements during the year in both of the Fellowship's principal activities

Postgraduate Medical journal continues to prosper under the Editorship of Dr Fiona Moss and her Editorial Team, with growth of journal size, and development and strengthening of new themes to complement the journal's established contribution to international postgraduate medical education, supported by its updated website ([http //pmj bmj com](http://pmj.bmj.com))

New joint CPD activities with the Medical Society of London continued with members of both societies invited to each others' activities, and a second debate planned for Feb 2012, this to be on the theme of challenges to the future of electronic health records

Achievements and performance (continued)

Review of activities and plans for 2011 and 2012 (continued)

A 3rd International Symposium on Progress on Personalising Medicines was held in March 2011, jointly supported by the FPM and the British Pharmacological Society, a sequel to the International Symposium on Personalising Medicines supported by the FPM in September 2008. 2011 Symposium speakers included Professor Sir Gordon Duff, Chairman of the Commission on Human Medicines, Professor Phil Routledge, President-Elect of the British Pharmacological Society, and Professor Munir Pirmohamed, inaugural Department of Health Professor of Pharmacogenetics.

Continuing its initial support in 2010 relevant to postgraduate medicine, health professionals more broadly and to engaging with national and international public interest in the interface between medicine and poetry, the Fellowship supported the 2011 International Hippocrates Prize on Poetry and Medicine. This attracted over 1500 entries from 23 countries, with commended and winning poets from the UK, USA, and New Zealand (www.hippocrates-poetry.org). A 2nd International Symposium on Poetry and Medicine was supported by the FPM. The Symposium included international speakers from USA and South Africa. 2011 Hippocrates poetry and medicine awards were judged and presented by broadcaster and writer Mark Lawson, outgoing chair of the Royal College of General Practitioners Professor Steve Field, and Paris-based US poet and critic Marilyn Hacker. The 2011 Hippocrates Prize attracted major professional and public interest, with media features including a full page article in the Guardian. An Anthology was published of the 46 winning poems and commended poems.

Further events and activities planned for 2012 include more joint events with the Medical Society of London, including a further joint debate, support of the 2012 Hippocrates Prize for Poetry and Medicine and related academic events, including a 3rd International Symposium on Poetry and Medicine, to be held at the Wellcome rooms in London.

Publishing

Postgraduate Medical Journal

The Postgraduate Medical Journal aims to support junior doctors and their teachers and to contribute to the continuing professional development of all doctors and other interested health professionals by publishing papers on a wide range of topics relevant to the practising clinician and teacher. The papers published in the PMJ include those that focus on core competencies, that describe current practice and new developments in all branches of medicine; that describe relevance and impact of translational research on clinical practice, that provide background relevance to examinations, and papers on medical education and medical education research (<http://pmj.bmj.com>).

Achievements and performance (continued)

Publishing (continued)

New publishing plans - a new journal Health Policy and Technology

During 2011, the FPM finalised plans to publish a new international Journal - Health Policy and Technology - aimed at providing a forum for reports and discussion on advances in practice and policy relevant to national and international postgraduate medical themes (<http://healthpolicyandtechnology.org>) The new Journal is due to begin publication in March 2012 and will be aimed at informing and educating national and international health professionals, policy makers, funders and the public about Health Policy and Technology, based on an initial quarterly issue, the Editor-in-Chief confirmed as FPM Council member Professor Wendy Currie, chairman of the journal's Advisory Board to be Professor Donald Singer, FPM President, with Advisory Board members including FPM Fellows Professor Peter Berner and professor Munir Pirmohamed

The journal will include research papers on topics including

- ♦ Health technology, including drug discovery, diagnostics, medicines, devices, therapeutic delivery and eHealth systems
- ♦ Cross-national comparisons on health policy using evidence-based approaches
- ♦ Country studies on health policy to determine the outcomes of technology-driven initiatives
- ♦ Cross-border eHealth including health tourism
- ♦ The digital divide in mobility, access and affordability of healthcare
- ♦ Health technology assessment (HTA) methods and tools for evaluating the effectiveness of clinical and non-clinical health technologies
- ♦ Health and eHealth indicators and benchmarks (measure/metrics) for understanding the adoption and diffusion of health technologies
- ♦ Health and eHealth models and frameworks to support policy-makers and other stakeholders in decision-making
- ♦ Stakeholder engagement with health technologies (clinical and patient/citizen buy-in)
- ♦ Regulation and health economics

Financial report for the year

Results for the year

The net income for the year was £165,210 (2010 – £141,288) before having taken account of unrealised losses on investments of £79,785 (2010 – gains of £112,112) and realised losses on investments of £1,313 (2010 – gains of £734)

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 decreased in value during the year in uncertain economic conditions.

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 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 £1,599,566 (2010 – £1,515,454). £286,641 of unrestricted funds have been designated by the Council members for the establishment of the new journal. After deducting this designated fund from the total unrestricted funds, the balance sheet shows general reserves of £1,312,925. 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.

Report of the Council 31 December 2011

Signed on behalf of the Council

Donald R. Singer

DONALD RJ SINGER

Approved by the Council on

18th June 2012

Independent auditor's report 31 December 2011

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

We have audited the financial statements of Fellowship of Postgraduate Medicine for the year ended 31 December 2011 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Report of the Council, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report 31 December 2011

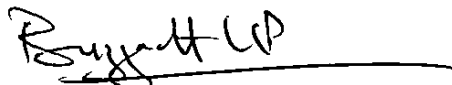
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- ◆ the financial statements are not in agreement with the accounting records and returns, or
- ◆ certain disclosures of trustees' remuneration specified by law are not made, or
- ◆ we have not received all the information and explanations we require for our audit



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

1 August 2012

Statement of financial activities Year to 31 December 2011

	Notes	Unrestricted Funds 2011 £	Unrestricted Funds 2010 £
Income and expenditure			
Incoming resources			
Activities for generating funds			
Incoming resources from generated funds			
Investment income and interest receivable	1	37,255	31,689
Incoming resources from charitable activities			
International Hippocrates Poetry awards and anthology		3,885	13,477
Postgraduate Medical Journal		483,052	422,709
Education – seminars		315	1,413
Total incoming resources		524,507	469,288
Resources expended			
Costs of generating funds			
Investment managers' fees		6,724	5,459
Charitable activities			
International Hippocrates Poetry awards, anthology and expenses	2	23,634	19,903
Postgraduate Medical Journal		240,114	220,425
Health Policy and Technology Journal		13,359	-
Education – seminars, symposiums and support		62,152	69,079
Governance costs	4	13,314	13,134
Total resources expended		359,297	328,000
Net incoming resources for the year			
	5	165,210	141,288
Realised (losses) gains on investments	9	(1,313)	734
Statement of total recognised gains and losses			
Net income		163,897	142,022
Unrealised (losses) gains on investments	9	(79,785)	112,112
Net movement in funds		84,112	254,134
Balance brought forward at 1 January 2011		1,515,454	1,261,320
Balance carried forward at 31 December 2011		1,599,566	1,515,454

Statement of financial activities Year to 31 December 2011

	2011 £	2010 £
Historical cost net movement in funds		
Net movement in funds (page 13)	84,112	254,134
Unrealised losses (gains) on investments	79,785	(112,112)
Difference between historical cost realised losses (gains) and the actual realised losses (gains) calculated on the revalued amounts	52,262	15,321
Historical cost net movement in funds	216,159	157,343

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

Balance sheet 31 December 2011

	Notes	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	8		19,734		23,453
Investments	9		1,110,321		1,161,066
			<u>1,130,055</u>		<u>1,184,519</u>
Current assets					
Debtors	10	72,976		82,424	
Cash at bank and in hand		<u>453,127</u>		<u>298,272</u>	
		526,103		380,696	
Creditors amounts falling due within one year	11	(43,263)		(29,761)	
Net current assets			482,840		350,935
Provision for pension liability	15		(13,329)		(20,000)
Total net assets			<u>1,599,566</u>		<u>1,515,454</u>
Represented by:					
Funds and reserves					
Unrestricted funds					
Designated fund	14		286,641		300,000
General fund			<u>1,312,925</u>		<u>1,215,454</u>
			<u>1,599,566</u>		<u>1,515,454</u>

Approved by the Council
and signed on its behalf by

DRS Singh

DR J SINGER

Approved on

MM

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

Principal accounting policies 31 December 2011

Basis of accounting

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

Income

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

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

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

Expenditure

- a The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the report of the council. Such costs include the cost of the production, promotion and other incidental costs associated with the production of the journal, and the costs associated with running seminars and symposiums. These also include the commission chargeable by the publishers, together with editorial fees and expenses.

The costs are directly attributable to specific activities.

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

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

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

Cash flow

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

Principal accounting policies 31 December 2011

Tangible fixed assets

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

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

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

Investments

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

Fund accounting

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

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 2011

1 Investment income and interest receivable

	Total 2011 £	Total 2010 £
Equities and fixed interest stock	37,077	31,573
Bank interest	178	116
	37,255	31,689

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

	Total 2011 £	Total 2010 £
International Hippocrates Poetry awards, anthology and expenses	23,634	19,903
Postgraduate Medical Journal		
Direct costs		
Production, promotion, despatch and website development	66,562	65,126
Publishers share of surplus - British Medical Association	95,228	83,181
Editorial costs	64,366	58,929
Other direct costs	500	250
Support costs (note 3)	13,458	12,939
	240,114	220,425
Health Policy and Technology – new journal set-up costs	13,359	-
Education – seminars, symposiums and support		
Direct costs	11,682	555
Support costs (note 3)	50,470	48,524
Pension deficit (note 15)	-	20,000
	62,152	69,079
Grand total	339,259	309,407

Notes to the financial statements 31 December 2011

3 Support costs

	Governance Costs £	Postgraduate Medical Journal £	Education £	Total 2011 £	Total 2010 £
Interns' travel expenses	-	-	-	-	1,000
Council and other meetings	348	1,391	5,215	6,954	4,508
Rent, rates, light and heat	1,571	6,285	23,571	31,427	29,484
Repairs, cleaning and insurance	166	663	2,487	3,316	8,680
Office equipment <£1,000	27	107	403	537	1,136
Legal and professional fees	375	1,500	5,625	7,500	12,565
Website costs	425	1,700	6,375	8,500	-
Depreciation	295	1,180	4,425	5,900	5,278
Printing, postage and stationery	30	122	458	610	357
Sundry expenses	32	128	479	639	961
Telephone	95	382	1,432	1,909	2,112
	3,364	13,458	50,470	67,292	66,081
Income from sublet rooms	-	-	-	-	(1,384)
	3,364	13,458	50,470	67,292	64,697

4 Governance costs

	Total 2011 £	Total 2010 £
Auditor's remuneration		
audit	8,200	8,000
non-audit	1,750	1,900
Support costs (note 3)	3,364	3,234
	13,314	13,134

5 Net incoming resources for the year

This is stated after charging

	2011 £	2010 £
Depreciation	5,900	5,278
Auditors' remuneration		
Audit	8,200	8,000
Accountancy, taxation and other services	5,600	5,310
Operating lease rentals	27,400	27,400

Notes to the financial statements 31 December 2011

6 Staff costs and Council Members' remuneration

There were no employees during the year (2010 – none)

No members of the Council received any remuneration in respect of their services as a member of the Council during the year (2010 – £nil) Payments totalling £5,000 were made in the year (2010 – £nil) to Chandos Ventures, an entity controlled by Professor Currie, for her services as Managing Editor of Health Policy and Technology At the year end £833 was due to Chandos Ventures Professor Currie took no part in the decision-making process through which the remuneration was awarded No trustees' indemnity insurance premiums were paid during the year (2010 – £nil)

Expenses of £5,199 (2010 – £4,856) were reimbursed to four (2010 – four) 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

8 Tangible fixed assets

	Leasehold refurbishment £	Office furniture and fittings £	Total
Cost			
At 1 January 2011	22,599	10,833	33,432
Additions	2,181	-	2,181
At 31 December 2011	<u>24,780</u>	<u>10,833</u>	<u>35,613</u>
Depreciation			
At 1 January 2011	6,225	3,754	9,979
Charge for year	3,736	2,164	5,900
At 31 December 2011	<u>9,961</u>	<u>5,918</u>	<u>15,879</u>
Net book values			
At 31 December 2011	<u>14,819</u>	<u>4,915</u>	<u>19,734</u>
At 31 December 2010	<u>16,374</u>	<u>7,079</u>	<u>23,453</u>

Notes to the financial statements 31 December 2011

9 Investments

	2011 £	2010 £
Listed investments		
Market value at 1 January 2011	1,083,203	871,416
Additions at cost	180,922	262,403
Disposals at carrying value	(199,156)	(162,728)
Net unrealised investment (losses) gains	(79,785)	112,112
Market value at 31 December 2011	985,184	1,083,203
Cash held by investment managers for re-investment	125,137	77,863
	1,110,321	1,161,066
Cost of listed investments at 31 December 2011	832,263	798,237

Listed investments held at 31 December 2011 comprised the following

	2011 £	2010 £
UK equities	611,732	658,987
Non UK equities	121,239	195,957
UK Fixed interest stock	106,568	89,992
Non UK Fixed interest stock	53,773	69,382
Alternative investments	91,872	68,885
	985,184	1,083,203

At 31 December 2011 no (31 December 2010 – three) individual investment holdings had a market value considered to be material when compared to the entire listed portfolio as at that date

10 Debtors

	2011 £	2010 £
Trade debtors	66,617	80,752
Prepayments	6,359	1,672
	72,976	82,424

11 Creditors: amounts falling due within one year

	2011 £	2010 £
Accruals	43,263	29,761

Notes to the financial statements 31 December 2011

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 2011 the Fellowship had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011 £	2010 £
Operating leases which expire Between two and five years	27,400	27,400

14 Designated funds

	At 1 January 2011 £	New designat- ions £	Utilised in year £	At 31 December 2011 £
New journal fund	300,000	-	(13,359)	286,641
	300,000	-	(13,359)	286,641

New journal fund

A new journal was established and will begin 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 Pension provision and contingent liability

Certain prior employees of the charity were members of the Federated Flexiplan No 1 Pension Plan (the "Plan"), a multi-employer pension scheme. Following a challenge to the Plan by certain deferred members regarding their entitlement to benefits on retirement, the Trustee of the Plan is applying to the Courts in order to achieve certainty on the benefits accruing to members. Those members making the challenge argue that, in certain circumstances, the Trustee had the discretion to pay out a share of the surplus of the Plan at the date a member left and, that as a result, the level of benefit actually granted to certain members on leaving the Plan should have been higher. If the Courts rule that the members were entitled to additional benefits, it is possible that the Plan will show a significant actuarial deficit to be funded through a formal Recovery Plan. The projected worse case scenario at the present time is that the deficit could amount to approximately £28 million for the entire scheme.

A recovery plan has been agreed to deal with the deficit on a 'Target Pension' basis. Contributions of £2,696 million p.a. will be payable from April 2011 for a period of 10 years. This period will be reduced (but the annual contributions remain fixed) should the outcome of the court case be that the 'Pensions Capital' basis is applicable.

The Fellowship of Postgraduate Medicine has been informed that it may be asked to make total contributions under a Recovery Plan of £20,000 which may increase depending on the outcome of the court case. The latest Recovery Plan has planned for the Charity to pay annual contributions of £6,671 based on its share of the liabilities on a Scheme Funding basis. These contributions commenced from April 2011 and a provision of £20,000 was made for these payments as at 31 December 2010. A balance of £13,329 remains outstanding as at 31 December 2011.

Given the continuing uncertainty surrounding any additional liability, the charity has a contingent liability for any debt recovery contributions that may be payable in the future to the Plan by the charity.