

REGISTRAR OF COMPANIES

Fellowship of Postgraduate Medicine

Annual Report and Financial Statements

31 December 2014

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

Charity Registration Number
313355

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Reference and administrative details

Members of the Council

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

Honorary Fellows

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

Editors

Postgraduate Medical Journal	Dr F Moss FRCP
Health Policy and Technology	Prof W Currie BSc PhD

Registered/Principal office

11 Chandos Street
London
W1G 9DR

Telephone	(020) 7636 6334
Facsimile	(020) 7436 2535
e-mail	fpm.chandos@gmail.com
website	www.thefpm.co.uk

Company registration number	00721213 (England and Wales)
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Charity registration number	313355
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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

The Council Members present their statutory report with the financial statements of the Fellowship of Postgraduate Medicine for the year ended 31 December 2014.

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

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

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

Organisation

The Fellowship of Postgraduate Medicine operates from 11 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. The Fellowship continues to make important contributions to postgraduate medical education through its two journals, through scientific and policy meetings and through public outreach.

The Council

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

The Council (continued)

The following Members were in office at 31 December 2014 and served throughout the year except where shown:

Council Members	Appointed/resigned
Prof W L Currie	
Dr W Dimitri	
Prof A Ferro	
Dr H Lim	
Dr A Marsh	
Dr A Missouriis	
Dr R Moulding	
Dr T Nicholson	
Prof D Saltman	
Prof D R J Singer	
Dr M Shaw	
Dr D Slovick	Resigned June 2014

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

Honorary Fellows

Mr D Abse
Mr J P Hopewell
Prof D Ingram

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

No Council Member received any remuneration for services as a member of the Council during the year (2013 - none).

Council Members' responsibilities statement

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Council Members' responsibilities statement (continued)

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities SORP;
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

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

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

Risk management

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

OBJECTIVES, ACTIVITIES AND RELEVANT POLICIES

Public Benefit

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

OBJECTIVES, ACTIVITIES AND RELEVANT POLICIES (continued)

Activities and specific objectives

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

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

ACHIEVEMENTS AND PERFORMANCE

Review of activities in 2014 and plans for 2015 and 2016

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

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

The Fellowship continued support for the international Hippocrates prize on poetry and medicine and the associated fifth international symposium on poetry and medicine. This initiative has engaged major interest in a range of health professionals in the UK and internationally, with entries from over 60 countries since the Award was founded. The prize in 2014 was in three sections: UK NHS staff and students and related health professionals, poets and any interested members of the public, and a new Young Poet section which has also attracted international interest.

In November 2014 the UK's Digital Catapult, the Fellowship of Postgraduate Medicine, IDEALondon, and Vital Transformation brought together leading experts working at the frontiers of research where personalised medicine and medicines, and health technologies intersect. Round table sessions featured demonstrations of how next-generation technologies and social media will integrate with public health, thus facilitating the burgeoning market for personalised medicines. The symposium included disruptive start-ups and technology practitioners finding common ground in bringing secure personal health data to the public and advice on stratified medicines to prescribers and their patients.

ACHIEVEMENTS AND PERFORMANCE (continued)

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

The Fellowship of Postgraduate Medicine supported the 2014 Hippocrates Prize which encourages interest in medicine through poetry. Now in its 5th year, winners for the 2014 Hippocrates NHS and Open Prize for Poetry and Medicine were selected by judges poet Philip Gross, patient rights barrister Sir Robert Francis QC and Mumsnet Editor Sarah Crown from over 1000 entries from 31 countries. At an Awards Ceremony in London at the Royal Society of Medicine the 2014 Hippocrates NHS first prize was awarded to trainee paediatrician Dr Ellen Storm for her new poem Out of Hospital Arrest. The second prize was won by Valerie Laws from Tyne and Wear for her poem Acute Mountain Sickness: Everest and the third prize went to Belfast poet and dentist Paula Cunningham for A History of Snow. The 2014 Open International Hippocrates first prize was awarded to UK-based poet Jane Draycott for her poem The Return. The second prize was won by UK poet Ailsa Holland for her poem Weekend and the third prize was shared by New York City poet Stephanie Gangi for Four and South African poet Karen Nel for Intensive Care. The judges also agreed 20 commendations in the NHS category, and 21 in the Open International category, from England, Ireland, Scotland, Norway, the USA, New Zealand and Australia. Conor McKee from Tonbridge was awarded the 2014 International Hippocrates Young Poets Prize. The 2014 Hippocrates Young Poets Prize attracted entries from England, Ireland, and Scotland, Israel, Italy, Nigeria, South Africa and the USA. It is one of the most valuable poetry awards in the world for young poets. All winning and commended poems were published in the Hippocrates Awards Anthology.

Events planned for 2015-16 include further joint events with the Medical Society of London and support for the 6th International Symposium on Poetry and Medicine and the 2015 Hippocrates Awards, to be judged by psychiatrist Professor Femi Oyeboade, doctor and writer Dr Theodore Dalrymple and poets Rebecca Goss and Simon Rae. To mark the 90th anniversary of the founding of the Postgraduate Medical Journal, a symposium is planned for October 2015, speakers to include FPM Fellows Professor Munir Pirmohamed on personalising medicine, Professor Peter Barnes on developments in respiratory medicine, Professor Andrew Marsh on drug discovery and Mr Wade Dimitri on early development of heart surgery. A symposium on neuroscience is planned for November 2015.

Publishing

Postgraduate Medical Journal

The PMJ continues to prosper under the leadership of the Editor-in-Chief Dr Fiona Moss. The journal provides education to an international audience, predominantly as state-of-the-art review articles based on topical issues, editorials, original research papers, supported by its website and social media engagement.

Specialty interests of the team of Associate Editors include allergy and immunology, anaesthetics, clinical pharmacology, diabetes, education, general practice, geriatrics, internal medicine, paediatrics, radiology, rehab medicine, respiratory and surgery. Plans are in progress for a commemorative 90th anniversary PMJ issue for September 2015, in advance of a PMJ-FPM 90th Anniversary Symposium to be held in October 2015 in London.

ACHIEVEMENTS AND PERFORMANCE (continued)

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

Publishing (continued)

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

Health Policy and Technology was launched in March 2012 by the Founding Editor, Professor Wendy L. Currie, on behalf of the Fellowship. Published by Elsevier, it has continued to make excellent progress, with an editorial board spanning over 11 countries. It has published several themed issues led by members of the editorial board, on electronic health records (EHRs), real world health data, mobile health and personalised medicines.

The Editor-in-Chief has presented the journal at various international conferences including: Health Information and Management Systems Society (HIMSS), the International Conference on Information Systems (ICIS), the European Conference on Information Systems (ECIS) and the Gastein Health Forum (GHF). Work is under-way to develop new themed issues going forward and to expand the editorial board to maximize international reach and build the HPT brand.

FINANCIAL REPORT FOR THE YEAR

Results for the year

The net income for the year was £222,241 (2013 – £185,499) before having taken account of unrealised gains on investments of £72,211 (2013 – £180,728) and realised gains on investments of £7,647 (2013 – losses of £6,932).

Investment policy and performance

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

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

The charity's investment portfolio increased in value during the year to a market value of £1,701,592 (2013 – £1,535,693).

FINANCIAL REPORT FOR THE YEAR (continued)

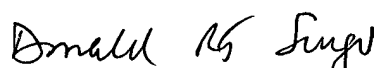
Reserves policy and financial position

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 £2,521,218 (2013 - £2,219,119). £197,565 (2013 - £223,972) 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 £2,323,653 (2013 - £1,995,147). Council members are reviewing options for use of reserves in the future including utilising reserves to purchase a property. Free reserves are also required to manage future uncertainty in journal income. The trustees consider that this level of free reserves matches the parameters set out in the charity's reserves policy above and they, therefore, consider free reserves to be adequate but not excessive.

Signed on behalf of the Council:


D R T SINGER

Approved by the Council on: 23/09/15

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 2014 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Council to identify any material inconsistencies with the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

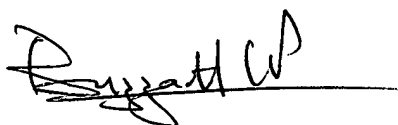
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



23/09/15

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

Statement of financial activities Year to 31 December 2014

	Notes	Unrestricted funds 2014 £	Unrestricted funds 2013 £
Income and expenditure			
Incoming resources			
Incoming resources from generated funds			
· Investment income and interest receivable	1	48,352	41,184
Incoming resources from charitable activities			
· International Hippocrates Poetry awards and anthology		5,242	8,670
· Postgraduate Medical Journal		548,385	531,457
· Health Policy and Technology		31,412	17,893
· Education – seminars		—	3,224
Total incoming resources		633,391	602,428
Resources expended			
Costs of generating funds			
· Investment managers' fees		12,288	8,158
Charitable activities	2		
· International Hippocrates Poetry awards, anthology and expenses		22,835	21,616
· Postgraduate Medical Journal		251,400	228,125
· Health Policy and Technology		63,322	51,036
· Education – seminars, symposiums and support		47,605	94,215
Governance costs	4	13,700	13,779
Total resources expended		411,150	416,929
Net incoming resources for the year	5	222,241	185,499
Realised gains (losses) on investments	9	7,647	(6,932)
Statement of total recognised gains and losses			
Net income		229,888	178,567
Unrealised gains on investments	9	72,211	180,728
Net movement in funds		302,099	359,295
Balance brought forward at 1 January 2014		2,219,119	1,859,824
Balance carried forward at 31 December 2014		2,521,218	2,219,119

Statement of financial activities Year to 31 December 2014

	2014 £	2013 £
Historical cost net movement in funds		
Net movement in funds (page 12)	302,099	359,295
Unrealised gains on investments	(72,211)	(180,728)
Difference between historical cost realised losses (gains) and the actual realised losses (gains) calculated on the revalued amounts	73,578	3,200
Historical cost net movement in funds	303,466	181,767

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

Balance sheet 31 December 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	8		193		7,934
Investments	9		1,981,859		1,866,165
			<u>1,982,052</u>		<u>1,874,099</u>
Current assets					
Debtors	10	98,347		94,103	
Cash at bank and in hand		<u>534,147</u>		<u>347,086</u>	
		632,494		441,189	
Creditors: amounts falling due within one year	11	<u>(59,040)</u>		<u>(58,132)</u>	
Net current assets			573,454		383,057
Provision for pension liability			(9,373)		(7,498)
Creditors: amounts falling due after more than one year	12		(24,915)		(30,539)
Total net assets			<u>2,521,218</u>		<u>2,219,119</u>
Represented by:					
Funds and reserves					
Unrestricted funds					
. Designated fund	15		197,565		223,972
. General fund			<u>2,323,653</u>		<u>1,995,147</u>
			<u>2,521,218</u>		<u>2,219,119</u>

Approved by the Council
and signed on its behalf by:

Prof DRJ Singer

Donald R Singer

Approved on: 23/09/15

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

Basis of accounting

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

Income

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

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

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

Expenditure

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

The costs are directly attributable to specific activities.

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

Support costs are allocated between activities with the allocation based on the usage of the office at 11 Chandos Street (formerly 12 Chandos Street).

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

Cash flow

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

Tangible fixed assets

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

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

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

Investments

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

Fund accounting

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

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

Leased assets

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

1 Investment income and interest receivable

	Total 2014 £	Total 2013 £
Equities and fixed interest stock	48,124	40,882
Bank interest	228	302
	48,352	41,184

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

	Total 2014 £	Total 2013 £
International Hippocrates Poetry awards, anthology and expenses	22,835	21,616
Postgraduate Medical Journal		
Direct costs		
. Production, promotion, despatch and website development	54,168	55,328
. Publisher's share of surplus - British Medical Association	106,358	103,011
. Editorial costs	85,371	63,530
. Other direct costs	—	300
Support costs (note 3)	5,503	5,956
	251,400	228,125
Health Policy and Technology – new journal costs		
Direct costs		
. Fellowship members' subscriptions	25,600	25,600
. Editorial costs	12,000	12,000
. Marketing and brand development	14,802	—
. Office equipment <£1,000	—	175
. Legal and professional fees	—	200
. Conferences and travel	4,591	5,945
. Sundry expenses	826	1,160
Support costs (note 3)	5,503	5,956
	63,322	51,036
Education – seminars, symposiums and support		
Direct costs	6,335	11,502
Support costs (note 3)	41,270	44,676
Pension deficit (note 16)	—	38,037
	47,605	94,215
Grand total	385,162	394,992

3 Support costs

	Governance Costs £	Post- graduate Medical Journal £	Health, policy and technology £	Education £	Total 2014 £	Total 2013 £
Council and other meetings	350	699	699	5,245	6,993	3,773
Rent, rates, light and heat	1,200	2,400	2,400	17,999	23,999	31,418
Repairs, cleaning and insurance	35	71	71	532	709	2,922
Office equipment < £1,000	25	49	49	367	490	—
Legal and professional fees	381	762	762	5,715	7,620	7,970
Depreciation and loss on disposals	387	774	774	5,806	7,741	5,900
Printing, postage and stationery	49	101	101	756	1,007	357
Sundry expenses	76	152	152	1,140	1,520	234
Telephone	247	495	495	3,710	4,947	6,993
	2,750	5,503	5,503	41,270	55,026	59,567

4 Governance costs

	Total 2014 £	Total 2013 £
Auditor's remuneration		
. audit services	8,850	8,700
. non-audit services	2,100	2,100
Support costs (note 3)	2,750	2,979
	13,700	13,779

5 Net incoming resources for the year

This is stated after charging:

	2014 £	2013 £
Depreciation	2,262	5,900
Auditor's remuneration		
. Audit	8,850	8,700
. Accountancy, taxation and other services	9,720	10,070
Operating lease rentals	18,700	27,400
Loss on disposal of tangible fixed assets	5,479	—

6 Staff costs and Council Members' remuneration

There were no employees during the year (2013 – none).

No members of the Council received any remuneration in respect of their services as a member of the Council during the year (2013 - £nil). Payments totalling £10,000 were made in the year (2013 - £10,000) to Chandos Ventures, an entity controlled by Professor Currie, for her services and expenses as Managing Editor of Health Policy and Technology. At the year end £833 (2013- £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 (2013 - £nil).

Expenses of £4,590 (2013 - £5,741) were reimbursed to four (2013 – three) members of the Council in connection with work on the journals, the Hippocrates Poetry awards, core Fellowship business and delivering medical symposiums. These costs were predominantly travel, subsistence and related costs. No remuneration is paid for any of these activities for Council members.

7 Taxation

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

8 Tangible fixed assets

	Leasehold refurbishment £	Office furniture and fittings £	Total
Cost			
At 1 January 2014	24,780	10,833	35,613
Disposals	(24,780)	(5,607)	(30,387)
At 31 December 2014	—	5,226	5,226
Depreciation			
At 1 January 2014	17,433	10,246	27,679
Charge for year	1,868	394	2,262
Disposals	(19,301)	(5,607)	(24,908)
At 31 December 2014	—	5,033	5,033
Net book values			
At 31 December 2014	—	193	193
At 31 December 2013	7,347	587	7,934

Notes to the financial statements 31 December 2014

9 Investments

	2014 £	2013 £
Listed investments		
Market value at 1 January 2014	1,535,693	1,055,627
Additions at cost	391,999	461,199
Disposals at carrying value (including realised gains of £7,647)	(298,311)	(161,861)
Net unrealised investment gains	72,211	180,728
Market value at 31 December 2014	1,701,592	1,535,693
Cash held by investment managers for re-investment	280,267	330,472
	1,981,859	1,866,165
Cost of listed investments at 31 December 2014	1,308,049	1,140,783

Listed investments held at 31 December 2014 comprised the following:

	2014 £	2013 £
UK equities	1,093,759	917,181
Non UK equities	419,729	367,932
UK Fixed interest stock	78,191	91,396
Non UK Fixed interest stock	70,855	53,834
Alternative investments	39,058	105,350
	1,701,592	1,535,693

At 31 December 2014 and 31 December 2013 no individual investment holdings had a market value considered to be material when compared to the entire listed portfolio as at that date.

10 Debtors

	2014 £	2013 £
Trade debtors	87,900	93,308
Prepayments and accrued income	10,447	795
	98,347	94,103

11 Creditors: amounts falling due within one year

	2014 £	2013 £
Accruals	43,671	36,645
Other creditors	15,370	21,487
	59,040	58,132

12 Creditors: amounts falling due over more than one year

	2014 £	2013 £
Pension liability (note 16)	24,915	30,539

13 Liability of members

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

14 Leasing commitments

Operating leases

At 31 December 2014 the Fellowship had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014 £	2013 £
Operating leases which expire:		
Between two and five years	—	27,400
In more than five years	10,000	—

15 Designated funds

	At 1 January 2014 £	New designat- ions £	Utilised in year £	At 31 December 2014 £
New journal fund	223,972	31,412	57,819	197,565
	223,972	31,412	57,819	197,565

New journal fund:

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

16 Pension liability

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

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitely established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent Recovery Plan required the Fellowship to contribute £6,671 for the three years commencing 1 April 2011 in respect of its share of the deficit. A provision of £20,000 was made for these payments as at 31 December 2010. A balance of £nil remains outstanding as at 31 December 2014.

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

Following the outcome of the Court case the Trustee of the Plan has decided to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. The Fellowship of Postgraduate Medicine will be required to pay £7,498 per annum for three years from 1 April 2014 and £7,770 per annum for two years from 1 April 2017 as its share of the deficit. A liability of £38,037 was therefore recognised for these payments as at 31 December 2013. A balance of £34,288 remains outstanding as at 31 December 2014.

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

Detailed income and expenditure account Year to 31 December 2014

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

	2014 £	2014 £	2013 £	2013 £
Income				
Journal: PMJ				
. Subscriptions	56,450		77,130	
. Reprints	737		2,362	
. Local editions	279		5,610	
. Internet subscriptions	413,506		400,940	
. Electronic licence income	34,205		31,865	
. Internet income	1,979		2,566	
. Advertising-back archive income	21,673		—	
. Royalties	2,461		1,977	
. Other publishing income	17,095		9,007	
		548,385		531,457
Journal: Health Policy and Technology				
. Editorial stipend income	12,000		12,000	
. Royalty income	19,412		5,893	
		31,412		17,893
Seminar income		—		3,224
Expenditure				
Journal: PMJ				
. Production, promotion and despatch	54,168		55,328	
. Publishers commission net of allowances	106,358		103,011	
	160,526		158,339	
Editor's appraisal	—		300	
Editorial costs	85,371		63,530	
Cost of production of the PMJ journal		(245,897)		(222,169)
Journal: Health Policy and Technology				
. Fellowship members' subscriptions	25,600		25,600	
. Editorial costs	12,000		12,000	
. Marketing and brand development	14,802		—	
. Office equipment <£1,000	—		175	
. Legal and professional fees	—		200	
. Conferences and travel	4,591		5,945	
. Sundry expenses	826		1,160	
Cost of production of the HPT journal		(57,819)		(45,080)
Seminar and symposia direct costs		(6,335)		(11,502)
Gross income carried forward		269,746		273,823

Detailed income and expenditure account Year to 31 December 2014

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	2014 £	2014 £	2013 £	2013 £
Gross income brought forward		269,746		273,823
Establishment and support costs:				
Council and other meetings	6,993		3,773	
Rent, rates, light and heat	23,999		31,418	
Repairs, cleaning and insurance	709		2,922	
Office equipment <£1,000	490		—	
Legal and professional fees	7,620		7,970	
Depreciation and losses on disposals	7,741		5,900	
Printing, postage and stationery	1,007		357	
Sundry expenses	1,520		234	
Telephone	4,947		6,993	
	<u>55,026</u>		<u>59,567</u>	
Pension liability	<u>—</u>		<u>38,037</u>	
Financial:				
Audit and accountancy	10,950		10,800	
Investment fund management fees	12,288		8,158	
	<u>23,238</u>		<u>18,958</u>	
Operating charges		(78,264)		(116,562)
Net incoming resources		191,482		157,261
Other income				
Investment income	48,124		40,882	
Deposit interest	228		302	
		48,352		41,184
International Hippocrates Awards				
Competition entry fee income and anthology sales	5,242		8,670	
Awards	(15,550)		(15,150)	
Administration and judging expenses	<u>(7,285)</u>		<u>(6,466)</u>	
		(17,593)		(12,946)
Realised gains (losses) on investments		7,647		(6,932)
Unrealised gains on investments		<u>72,211</u>		<u>180,728</u>
Net movement in funds		302,099		359,295

Detailed schedule of investments 31 December 2014

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Investment	Cost £	Market value £
AA	16,000	22,560
Aberdeen Unit Tst Mgrs Asia Pacific	13,957	24,461
Amec Foster Wheeler	9,022	10,236
Assura Group	27,821	31,875
Astrazeneca	15,468	27,333
Baillie Gifford Japan Trust	14,050	18,844
Baillie Gifford Japanese B Inc	36,736	36,473
Barclays	17,366	18,263
BG Group	18,200	15,570
BHP Billiton	5,649	14,899
BP	22,872	22,605
Brown Advisory Funds	26,298	28,732
BT Group	15,822	32,120
British Telecom	21,526	29,396
Capital & Regional	14,850	15,750
Capital Group	28,960	30,279
Clinigen Group	10,285	29,095
Clipper Logistics	8,663	13,550
Compass Group	12,073	14,500
Dechra Pharmaceuticals	17,407	20,913
Dixons Carphone	21,398	36,992
Elementis	12,855	13,090
Experian	17,807	16,320
Fidelity China Special Sits	18,827	22,746
Fidelity European Values	49,896	65,000
Findlay Park American Fund	32,150	71,219
Franklin Templeton GBP Global Bond	17,327	24,001
Galliford Try	17,127	19,964
Glaxosmithkline	12,514	26,901
GCP Infrastructure	14,036	16,540
Halfords Group	16,412	20,193
Hansteen Holdings	17,567	18,292
Hellermannntyton Group	17,205	17,640
HSBC Holdings	18,426	20,692
IFDS Argonaut European	16,527	16,595
ITV	14,483	23,672
International Public Partnerships	17,206	17,576
JP Morgan Asian Inv Tst	4,356	11,681
JP Morgan European Inv Tst Income	9,852	19,184
JP Morgan US Equity C Inc	34,544	40,926
Kames Capital	22,421	25,403
Lazard Gbl Listed Infrastructure Equity	33,624	41,052
Legal & General Group	5,825	8,701
Lloyds Banking Group	10,479	11,373
LondonMetric Property	17,077	20,296
M & C Saatchi	9,452	11,220
Melrose Industries	13,142	13,543
National Grid Group	8,493	13,772
Neubergerger Bermuda	17,153	16,575
North American Income Trust	12,094	17,635
Novartis AG	17,156	20,862
Old Mutual	18,256	23,392
Pacific Assets Trust	12,760	14,970
Pantheon Intl Participations	17,250	18,998
Partners Group Global Opportunities	13,439	22,518
Pennon Group	13,727	18,390
Pershing Square Holdings	30,921	30,784
Petrofac	17,032	8,436
Polar Capital Holdings	12,255	10,594
Premier Foods	12,255	3,910
Carried forward	1,048,351	1,329,102

Detailed schedule of investments 31 December 2014

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Investment	Cost £	Market value £
Brought forward	1,048,351	1,329,102
Prudential	15,187	37,300
Renewables Infrastructure	25,000	25,160
Rio Tinto	16,822	15,000
Royal Dutch Shell	25,665	33,495
Schroder Oriental Inc Fund	8,089	15,200
Shire	13,458	15,866
Smith & Nephew	10,054	21,384
Spectris plc	12,589	11,561
Standard Chartered	15,060	9,149
Templeton Emerg Mkts	7,010	32,332
Unilever	18,928	26,280
Utilico Emerg Mkts	16,881	21,016
Verizon Comms	14,444	17,821
Vodafone Group	16,485	18,215
Whitbread	9,785	28,620
Wolseley	17,435	18,541
WPP	16,806	25,550
	1,380,049	1,701,592