

# REGISTRAR OF COMPANIES

## Fellowship of Postgraduate Medicine (The)

### Annual Report and Financial Statements

31 December 2018

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

Charity Registration Number  
313355

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## Reference and administrative details

### Members of the Council

President	Prof D R J Singer BMedBiol MD FRCP FBPhS
Honorary Secretary	Dr T R J Nicholson BSc MSc PhD MRCP MRCPsych
Honorary Treasurer	Mr W Dimitri FRCS
Members	Prof P Barnes DM DSc FRCP FCCP FMedSci FRS Dr J W F Elte MD PhD FRCP FACP FEFIM Prof A Ferro PhD FRCP FBPhS Prof A Halliday MS FRCS Dr D Slovic MA PhD FRCP Prof A Vale FRCP FBTS FBPhS

**Honorary Fellows** Prof D Ingram BA PhD FBCS CEng MRCP(Hon)

### Editors

<b>Postgraduate Medical Journal</b>	Prof B Cheung MA MB BChir PhD MRCP FRCP FCP FHKCP FHKAM
<b>Health Policy and Technology</b>	Prof K Redekop PhD MPH

**Registered/Principal office** 11 Chandos Street  
London  
W1G 9EB

Telephone	(020) 7636 6334
Facsimile	(020) 7436 2535
e-mail	<a href="mailto:fpm.chandos@gmail.com">fpm.chandos@gmail.com</a>
website	<a href="http://www.fpm.org.uk">www.fpm.org.uk</a>

**Company registration number** 00721213 (England and Wales)

**Charity registration number** 313355

**Auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Investment managers** Rathbone Investment Managers Limited  
159 New Bond Street  
London  
W1S 2UD

## Reference and administrative details

**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 2018.

The financial statements have been prepared in accordance with the accounting policies set out on pages 19 to 22 of the attached financial statements and comply with the charitable company's memorandum and articles of association, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), effective from accounting periods commencing on 1 January 2015 or later.

### **Governance, structure and management**

#### **Constitution**

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

#### **Organisation**

The Fellowship of Postgraduate Medicine operates from 11 Chandos Street in London, which it leases from the Medical Society of London.

It was founded to meet the increased demand for training in civilian medicine that followed the end of the Great War (1914-18). The Fellowship came into being late in 1918 as the Inter-allied Fellowship of Medicine, with Sir William Osler its President. Osler merged the Fellowship with the Postgraduate Medical Association of which he had been the founding President since 1911. The combined societies were named the Fellowship of Medicine and the Postgraduate Medical Association, with Osler the founding President from October 1919 until his death in December 1919. In 1944, the Fellowship had a further name change to the Fellowship of Postgraduate Medicine.

The Fellowship has always been independent of Government and University. It originally had a pioneering role in co-ordinating and providing an impetus to the development of postgraduate medical education in London and throughout the United Kingdom. With the establishment of other organisations such as the British Postgraduate Medical Federation, the Postgraduate Centre movement in hospitals throughout the country, and the postgraduate activities of Royal Colleges and Faculties, its role changed, and the last regular course organised by the Fellowship took place in 1974. The Fellowship continues to make important contributions to postgraduate medical education through its two journals, through scientific and policy meetings and through public outreach.

#### **The Council**

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

## GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

### The Council (continued)

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

The following Members were in office at 31 December 2018 and served throughout the year except where shown:

Council Members	Appointed/resigned
Prof P Barnes	
Dr W Dimitri	
Dr J W F Elte	
Prof A Ferro	
Prof A Halliday	
Dr C G Missouri	Resigned 15 February 2018
Dr T Nicholson	
Prof D R J Singer	
Dr D Slovic	
Prof A Vale	

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

### Honorary Fellows

Prof D Ingram

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

### Key management personnel

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

No Council Member received any remuneration for services as a member of the Council during the year (2017 - none):

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

### **Council Members' responsibilities statement**

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

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

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

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

Each of the trustees confirms that:

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

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

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

### **Risk management**

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

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

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

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

### **Public Benefit**

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

### **Activities and specific objectives**

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

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



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

### **Activities and specific objectives (continued)**

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

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

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of activities in 2018 and future plans for 2019 and beyond**

2018 was the centenary year for the founding of the Fellowship. 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. Please see the reports below from the Editors-in-Chief of these publications for additional information on the journals.

In May 2018, the FPM supported a clinical updates session at Hong Kong Medical Forum, as a joint venture with the Postgraduate Medical Journal and the University of Hong Kong, host institution of PMJ Editor-in-Chief, Professor Bernard Cheung.

During 2018, the FPM provided support towards the Hippocrates Prize for Poetry and Medicine. FPM-Hippocrates awards in Health Professional and Open categories were presented in May 2018 in Chicago in partnership with the Northwestern University Feinberg School of Medicine in Chicago, the USA Poetry Foundation and Harvard Medical School. The FPM plans to support the 2019 Hippocrates Prize for Poetry and Medicine which will be awarded in May 2019 at the Life Science Centre in Newcastle-upon-Tyne in partnership with the Newcastle Centre for the Literary Arts and the Newcastle Institute for Creative Arts Practice

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

### **Review of activities in 2018 and future plans for 2019 and beyond (continued)**

In December 2018 the FPM organized a centenary conference at the Royal College of Physicians in London providing updates on excellence in clinical practice. The Centenary Conference included a poster awards session showcasing national and international studies aimed at transforming health and healthcare. Expert clinicians provided updates on best medical practice in diagnostics and new therapies with regard to common serious clinical disorders, ranging from lung disease to cancer, stroke and cardiac disease, diabetes mellitus, liver problems and other serious clinical diseases. Speakers also discussed management of new clinical challenges, including antibiotic resistance, the impact of ageing on comorbidity and other important current challenges for clinical practice.

In June 2019, in collaboration with the HPT journal, the FPM plans to co-organise a conference on European Cooperation on Healthcare which will be held at Erasmus University in Rotterdam, host institution of HPT Editor-in-Chief Professor Ken Redekop.

The centenary of Osler's death will be marked on 6th December 2019 by a further FPM conference at the Royal College of Physicians on advances in medicine, with topics ranging from applying genomics to clinical practice to the impact of the foetal environment on disease in adult life, better management of heart failure and updates on palliative care. The meeting will be announced on the PMJ and HPT websites and in both journals. Abstracts from this meeting will be published in the Postgraduate Medical Journal, with papers published in the PMJ or HPT journal.

In addition, the December 2019 issue of the Postgraduate Medical Journal will have a special theme celebrating the extraordinary life and legacy of Osler (see PMJ report below).

Further ways in which the FPM is marking its anniversary include introduction of a new Associate Member category for the FPM and plans for new international awards for excellence in medical writing by doctors in social media. The new Associate Member category for the FPM will be open to doctors in established postgraduate training posts, to senior doctors in established posts and to other experts who are interested in postgraduate medicine. Authors for the official journals of the FPM — the PMJ and HPT — will be entitled to a reduced membership fee.

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

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

In 2018, the journal received 733 manuscripts with an acceptance rate of 24%. The average time to the first editorial decision was 25 days. The average time from submission to acceptance was 83 days and articles were published online 17 days after acceptance, and about 3 months later in print. As befits a British journal with a global reach, the submitted articles came, in descending order, from the UK (35%), India, USA and China.

Although the number of printed issues remained small, the journal is widely read online, with nearly 3 million page views from North America, Europe and Asia. It is interesting to note that 1.9 million of our online views came via Google.

As a result of an 8% increase in the number of citable articles, the journal's impact factor decreased from 2.078 in 2017 to 1.946 in 2018.

Last year's plan was to make more use of the internet to promote journal content, and to have thematic issues from time to time. In 2018 and the first half of 2019, these plans came to fruition. Dr Alasdair McNeill has been appointed as our associate editor for social media leading a team of three social media editors, Dr David Warriner, Dr Caitriona Cox and Dr George Huntington. Their main role is to increase the social media presence of PMJ, promote the viewing of PMJ articles and submissions to the journal.

In addition, the December issue of the Postgraduate Medical Journal will have a special theme celebrating the extraordinary life and legacy of Osler. It will be edited by Dr John Launer. Donald Singer, Bernard Cheung, Terence Ryan, Gary Lee, Jamie Coleman and many others will contribute to this issue.

A meeting of the editors will be held on 12 March 2019 at BMA House to review the key performance indicators of the journal up to the end of 2018 and to discuss strategies for the future. Notably, Dr Zhou Xiang, an Associate Editor who is a cardiologist in China, will share his views on the future directions for the journal.

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

To celebrate the Centenary of the death of Sir William Osler, the founding president of the FPM, a one-day symposium will be held at the Royal College of Physicians of London on 6 December 2019. The meeting will be announced on the PMJ website and journal. Abstracts and papers from this meeting will be published in the Postgraduate Medical Journal.

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

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

HPT is a cross-disciplinary journal which focuses on past, present and future development and implementation of health policy and the role of technology in clinical and non-clinical national and international health environments. HPT is published in print and online form.

The primary aim of HPT is to publish relevant, timely and accessible articles and commentaries to educate and inform all stakeholders in health policy and technology, from researchers to clinicians, health economists, health policy leaders and experts in the biotechnology and pharmaceutical sectors.

During 2018, appointments on the HPT Editorial Board included Lytske Bakker in the new position of Commissioning Editor.

There was a 56% increase in the number of manuscript submissions over the previous year (from 117 in 2017 to 183 in 2018). The acceptance rate went down from 38% in 2017 to 33% in 2018 while the impact factor increased from 1.013 in 2017 to 1.225 in 2018. As expected for an international journal, articles for publication in HPT were accepted in 2018 from a wide range of countries from around the world; in 2018, the top 5 countries were the United States, South Korea, the UK, Japan, and Turkey.

Theme issues planned for the journal for 2019 and beyond include ones on Digital Transformation, on Big Data, Healthy Heart Policy, and the importance of European Cooperation on Healthcare.

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

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

Content from the meeting will appear in the HPT journal as Editorials, commentaries, review articles and Meet the Expert reports, with associated short video interviews with speakers posted on the HPT and FPM websites.

## **FINANCIAL REPORT FOR THE YEAR**

### **Results for the year**

The net income for the year was £345,133 (2017 - £338,885) before having taken account of realised losses on investments of £14,439 (2018 - losses of £10,761) and unrealised losses on investments of £230,958 (2017 – unrealised gains of £213,995).

### **Investment policy and performance**

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

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

The charity's investment portfolio yielded income of £98,799 (2017 - £85,390) and increased in value during the year to a market value of £2,766,340 (2017 - £2,762,434). 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 £3,952,686 (2017 - £3,852,951). £110,095 (2017 - £127,656) 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 £3,842,591 (2017 - £3,725,945). 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.

**Report of the Council 31 December 2018**

Approved by the Council  
and signed on its behalf by:

*Donald R J Singer*

Donald R J Singer

Approved on: 26 September 2019

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

**Opinion**

We have audited the financial statements of The Fellowship of Postgraduate Medicine (the 'charitable company') for the year ended 31 December 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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



### **Responsibilities of trustees**

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

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

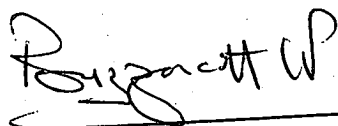
### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

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



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

26 September 2019

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

**Statement of financial activities** Year to 31 December 2018

		Unrestricted funds	
	Notes	2018 £	2017 £
<b>Income and expenditure</b>			
<b>Income:</b>			
Investment income and interest receivable	1	105,162	85,477
Charitable activities			
Postgraduate Medical Journal		590,832	606,696
Health Policy and Technology		28,249	26,747
Education and seminars		842	—
Other income			
Discharged pension liability	16	15,541	—
<b>Total income</b>		<b>740,626</b>	<b>718,920</b>
<b>Expenditure:</b>			
Cost of raising funds			
Investment managers' fees		21,461	18,709
Expenditure on charitable activities	2		
International Hippocrates Poetry awards, anthology and expenses		20,000	10,000
Postgraduate Medical Journal		248,359	243,571
Health Policy and Technology Journal		45,810	52,718
Education – seminars, symposiums and support		59,863	55,037
<b>Total expenditure</b>		<b>395,493</b>	<b>380,035</b>
<b>Net income before (losses) gains on investments for the year</b>	4	<b>345,133</b>	<b>338,885</b>
Net (losses) gains on investments	9	(245,398)	203,194
<b>Net income and net movement on funds</b>		<b>99,735</b>	<b>542,079</b>
<b>Reconciliation of funds:</b>			
<b>Balance brought forward at 1 January 2018</b>		<b>3,852,951</b>	<b>3,310,872</b>
<b>Balance carried forward at 31 December 2018</b>		<b>3,952,686</b>	<b>3,852,951</b>

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

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

# **Balance sheet 31 December 2018**

	Notes	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible assets	8		2,208		3,312
Investments	9		3,200,934		3,268,994
			3,203,142		3,272,306
<b>Current assets</b>					
Debtors	10	568,644		153,408	
Cash at bank and in hand		311,168		524,796	
		879,812		678,204	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	(130,268)		(97,559)	
<b>Net current assets</b>			749,544		580,645
<b>Total net assets</b>			3,952,686		3,852,951
<b>The funds of the charity</b>					
Unrestricted funds					
Designated fund	14		110,095		127,656
General fund			3,842,591		3,725,295
<b>Total charity funds</b>			3,952,686		3,852,951

Approved by the Council  
and signed on its behalf by:

*Donald R J Singer*

Donald R J Singer

Approved on: 26 September 2019

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

# **Cash flow statement 31 December 2018**

	Notes	2018 £	2017 £
<b>Cash flow from operating activities:</b>			
Net cash provided by operating activities	A	(136,089)	243,708
<b>Cash flow from investing activities:</b>			
Dividends and interest from investments		99,799	85,477
Purchase of tangible fixed assets			(4,416)
Proceeds from the disposal of investments		116,230	422,513
Purchase of investments		(362,534)	(559,311)
<b>Net cash (used in) provided by investing activities</b>		<b>(149,505)</b>	<b>(55,737)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(285,594)</b>	<b>187,971</b>
<b>Cash and cash equivalents at 1 January 2018</b>	B	<b>1,031,356</b>	<b>843,385</b>
<b>Cash and cash equivalents at 31 December 2018</b>	B	<b>745,762</b>	<b>1,031,356</b>

## **Notes to the cash flow statement for the year to 31 December 2018.**

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

	2018 £	2017 £
<b>Net movement in funds (as per the statement of financial activities)</b>	<b>99,735</b>	<b>542,079</b>
<b>Adjustments for:</b>		
Depreciation charge	1,104	1,104
(Losses) gains on investments	245,398	(203,194)
Dividends and interest from investments	(99,799)	(85,477)
(Increase) decrease in debtors	(415,236)	4,032
Increase (decrease) in creditors	32,709	(14,835)
<b>Net cash (used in) provided by operating activities</b>	<b>(136,089)</b>	<b>243,708</b>

### **B Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	311,168	524,796
Cash held by investment managers	434,595	506,560
<b>Total cash and cash equivalents</b>	<b>745,762</b>	<b>1,031,356</b>

## **Principal accounting policies 31 December 2018**

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

### **Basis of preparation**

These accounts have been prepared for the year to 31 December 2018.

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

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('Charities SORP FRS 102') issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

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

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees to make significant judgements and estimates. No were no judgements or estimates made which have a material effect in the preparation of these accounts.

### **Assessment of going concern**

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

The trustees have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

The most significant areas of judgement that affect items in the accounts are detailed above. With regard to the next accounting period, the year ending 31 December 2019, the most significant areas that affect the carrying value of the assets held by the charity are the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the report of the Council for more information).

### **Income recognition**

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

Income comprises investment income, income from publications and conferences.

Income from publications and conferences is recognised on an accruals basis.

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

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

### **Expenditure recognition**

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

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

- ◆ Expenditure on raising funds includes all expenditure associated with raising funds for the charity. This includes investment management fees.
- ◆ Expenditure on charitable activities includes all costs associated with furthering the charitable purposes of the charity through the provision of its charitable activities. Such costs include the cost of production, promotion and other incidental costs associated with the production of the journals, and the costs associated with running seminars and symposiums. These also include the commission chargeable by the publishers, together with editorial fees and expenses.

All expenditure is stated inclusive of irrecoverable VAT.

#### **Allocation of support and governance costs**

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

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

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

#### **Debtors**

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

#### **Cash at bank and in hand**

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

#### **Creditors and provisions**

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

#### **Tangible fixed assets**

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

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

- |                                 |  |
|---------------------------------|--|
| ◆ Office furniture and fittings | - 20% on cost                          |
| ◆ Computer equipment            | - 25% on cost                          |
| ◆ Leasehold refurbishment       | - over the remaining life of the lease |

**Fixed asset investments**

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

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

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

**Fund accounting**

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

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

**Leased assets**

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



Notes to the financial statements 31 December 2018

**1 Investment income and interest receivable**

	Total 2018 £	Total 2017 £
Income from listed investments		
. UK equities	52,818	46,376
. UK fixed interest	4,471	3,510
. UK unit trusts	6,339	6,013
. Overseas equities	21,672	15,834
. Overseas fixed interest	9,397	8,549
. Other	4,102	5,108
	<b>98,799</b>	<b>85,390</b>
Bank interest	6,363	87
	<b>105,162</b>	<b>85,477</b>

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

	Total 2018 £	Total 2017 £
<b>International Hippocrates Poetry awards, anthology and expenses</b>		
Grants awarded	20,000	10,000
<b>Postgraduate Medical Journal</b>		
Direct costs		
. Production, promotion, despatch and website development	51,608	53,065
. Publisher's share of surplus - British Medical Association	118,166	119,510
. Editorial costs	72,578	62,892
Support costs (note 3)	6,007	8,104
	<b>248,359</b>	<b>243,571</b>
<b>Health Policy and Technology – new journal costs</b>		
Direct costs		
. Fellowship members' subscriptions	25,600	25,600
. Editorial costs	8,000	10,593
. Legal and professional fees	6,203	6,285
. Conferences and travel	—	1,931
. Sundry expenses	—	205
Support costs (note 3)	6,007	8,104
	<b>45,810</b>	<b>52,718</b>
<b>Education – seminars, symposiums and support</b>		
Direct costs	21,818	3,714
Support costs (note 3)	38,045	51,323
	<b>59,863</b>	<b>55,037</b>
<b>Grand total</b>	<b>374,032</b>	<b>361,326</b>

## Notes to the financial statements 31 December 2018

### 3 Support costs

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

	Post-graduate Medical Journal £	Health, policy and technology £	Education £	Total 2017 £
Council and other meetings	1,126	1,126	7,129	9,381
Rent, rates, light and heat	1,377	1,377	8,725	11,479
Office equipment < £1,000	195	195	1,233	1,622
Legal and professional fees	2,937	2,937	18,598	24,472
Depreciation and loss on disposals	132	132	840	1,104
Printing, postage and stationery	19	19	121	159
Sundry expenses	49	49	309	407
Telephone	523	523	3,311	4,357
Governance costs (note 4)	1,746	1,746	11,058	14,550
<b>2017 Total funds</b>	<b>8,104</b>	<b>8,104</b>	<b>51,323</b>	<b>67,531</b>

### 4 Governance costs

	2018 £	2017 £
Audit services	9,800	9,550
Accountancy services	5,000	5,000
	<b>14,800</b>	<b>14,550</b>

**5 Net income before gains on investments**

This is stated after charging:

	2018 £	2017 £
Depreciation	1,104	1,104
Auditor's remuneration		
. Audit	9,800	9,550
. Accountancy, taxation and other services	5,000	5,000
Operating lease rentals	10,000	10,000

**6 Staff costs and Council Members' remuneration**

There were no employees during the year (2017 - none).

No members of the Council received any remuneration in respect of their services as a member of the Council during the year (2017 - £nil).

Expenses of £10,269 (2017 - £10,450) were reimbursed to two (2017 - one) members of the Council in connection with work on the journals, core Fellowship business and delivering medical symposiums. These costs were predominantly travel, subsistence and related costs and included costs incurred on behalf of other Council members. Individuals are not remunerated in their capacity as members of the Council.

**7 Taxation**

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

## Notes to the financial statements 31 December 2018

### 8 Tangible fixed assets

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

	Furniture, fixtures and equipment £	2017 Total
<b>Cost</b>		
At 1 January 2017	5,226	5,226
Additions	4,416	4,416
At 31 December 2017	9,642	9,642
<b>Depreciation</b>		
At 1 January 2017	5,226	5,226
Charge for year	1,104	1,104
At 31 December 2017	6,330	6,330
<b>Net book values</b>		
At 31 December 2017	3,312	3,312
At 31 December 2016	—	—

### 9 Investments

	2018 £	2017 £
<b>Listed investments</b>		
Market value at 1 January 2018	2,762,434	2,422,442
Additions at cost	365,534	559,311
Disposals at carrying value (proceeds: £116,230 realised loss: £14,440)	(130,670)	(433,274)
Net unrealised investment (losses) gains	(230,958)	213,955
Market value at 31 December 2018	2,766,340	2,762,434
<b>Cash held by investment managers for re-investment</b>	434,594	506,560
	3,200,934	3,268,994
Cost of listed investments at 31 December 2018	2,245,685	1,973,133

## Notes to the financial statements 31 December 2018

### 9 Investments (continued)

Listed investments held at 31 December 2018 comprised the following:

	2018 £	2017 £
UK equities	1,845,621	1,842,857
Non UK equities	597,709	643,336
UK Fixed interest stock	117,152	125,196
Non UK Fixed interest stock	125,851	85,450
Alternative investments	80,007	65,595
	<b>2,766,340</b>	<b>2,762,434</b>

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

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

Units	2017 £	%
50,000 J P Morgan Asset Managers US Equity Income C	151,150	5.47

### 10 Debtors

	2018 £	2017 £
Trade debtors	549,024	135,532
Prepayments and accrued income	19,620	17,876
	<b>568,644</b>	<b>153,408</b>

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

	2018 £	2017 £
Accruals	45,058	53,546
Other creditors	85,210	28,472
Pension liability (note 16)	—	15,541
	<b>130,268</b>	<b>97,559</b>

## 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 2018 the Fellowship had the following future minimum commitments under non-cancellable operating leases:

	Land and buildings	
	2018	2017
	£	£
Operating leases which expire:		
Within one year	10,000	10,000
Between two and five years	—	10,000

## 14 Designated funds

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

	At 1 January 2017 £	New designat- ions £	Utilised in year £	At 31 December 2017 £
New journal fund	153,627	26,747	(52,718)	127,656
	153,627	26,747	(52,718)	127,656

### *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.

## Notes to the financial statements 31 December 2018

### 15 Analysis of net assets

The total unrealised gains as at 31 December 2018 constitutes movements on revaluation and are as follows:

	2018 £	2017 £
<b>Unrealised gains included above:</b>		
On investments	520,655	789,301
<b>Total unrealised gains at 31 December 2018</b>	<b>520,655</b>	<b>789,301</b>
<b>Reconciliation of movements in unrealised gains</b>		
Unrealised gains at 1 January 2018	789,301	625,577
Less: in respect to disposals in the year	(23,248)	(50,231)
	766,053	575,346
Add: net (losses) gains arising on revaluation arising in the year	(245,398)	213,955
<b>Total unrealised gains at 31 December 2018</b>	<b>520,655</b>	<b>789,301</b>

### 16 Pension liability

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

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

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

Following the outcome of the Court case the Trustee of the Plan has decided to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. The Fellowship of Postgraduate Medicine is required to pay £7,498 per annum for three years from 1 April 2014 and £7,770 per annum for two years from 1 April 2017 as its share of the deficit. A liability of £38,037 was therefore recognised for these payments as at 31 December 2013. A balance of £15,541 remained outstanding as at 31 December 2018.

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

**17 Related party transactions**

During the year the Fellowship made a donation of £20,000 to the Hippocrates Prize for Poetry and Medicine (2017 - £10,000).

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



# **Detailed income and expenditure account** Year to 31 December 2018

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

	2018 £	2018 £	2017 £	2017 £
<b>Income</b>				
Journal: PMJ				
. Subscriptions	39,308		44,628	
. Local editions	2,179		1,483	
. Internet subscriptions	487,870		485,210	
. Electronic licence income	20,563		37,654	
. Internet income	1,988		2,616	
. Advertising-back archive income	5,737		14,565	
. Royalties	3,671		5,452	
. Other publishing income	29,515		15,088	
		590,831		606,696
Journal: Health Policy and Technology				
. Editorial stipend income	12,000		12,000	
. Royalty income	16,249		14,747	
		28,249		26,747
Education seminars		842		
Discharge of pension liability		15,541		
<b>Expenditure</b>				
Journal: PMJ				
. Production, promotion and despatch	51,608		53,065	
. Publishers commission net of allowances	118,166		119,510	
	169,774		172,575	
. Editorial costs	72,578		62,892	
Cost of production of the PMJ journal		(242,352)		(235,467)
Journal: Health Policy and Technology				
. Fellowship members' subscriptions	25,600		25,600	
. Editorial costs	8,000		10,593	
. Legal and professional fees	6,203		6,285	
. Conferences and travel	—		1,931	
. Sundry expenses	—		205	
Cost of production of the HPT journal		(39,803)		(44,614)
Seminar and symposia direct costs		(21,818)		(3,714)
<b>Gross income carried forward</b>		<b>331,491</b>		<b>349,648</b>

# **Detailed income and expenditure account** Year to 31 December 2018

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

	2018 £	2018 £	2017 £	2017 £
<b>Gross income brought forward</b>		<b>331,491</b>		<b>349,648</b>
<b>Establishment and support costs:</b>				
Council and other meetings	12,832		9,381	
Rent, rates, light and heat	13,623		11,479	
Repairs, cleaning and insurance			—	
Office equipment <£1,000	880		1,622	
Legal and professional fees	3,297		23,472	
Depreciation and losses on disposals	1,103		1,104	
Printing, postage and stationery	17		159	
Sundry expenses	516		407	
Telephone	2,991		4,357	
	<u>35,259</u>		<u>52,981</u>	
<b>Financial</b>				
Audit and accountancy	14,800		14,550	
Investment fund management fees	21,461		18,709	
	<u>36,261</u>		<u>33,259</u>	
<b>Operating charges</b>		<b>(71,520)</b>		<b>(86,240)</b>
<b>Net incoming resources</b>		<b>259,971</b>		<b>263,438</b>
<b>Other income</b>				
Investment income	98,799		85,390	
Deposit interest	6,363		87	
		<b>105,162</b>		<b>85,477</b>
<b>International Hippocrates Awards</b>				
Grants awarded	<u>(20,000)</u>		<u>(10,000)</u>	
		<b>(20,000)</b>		<b>(10,000)</b>
Realised losses on investments		<b>(14,440)</b>		<b>(10,761)</b>
Unrealised (losses) gains on investments		<u><b>(230,958)</b></u>		<u><b>213,955</b></u>
<b>Net movement in funds</b>		<b>99,735</b>		<b>542,079</b>