

Charity Registration No. 313355

Company Registration No. 00721213 (England and Wales)

THE FELLOWSHIP OF POSTGRADUATE MEDICINE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021



THE FELLOWSHIP OF POSTGRADUATE MEDICINE

LEGAL AND ADMINISTRATIVE INFORMATION

Council Members	Prof P Barnes DM DSc FRCP FCCP FMedSci FRS Prof B Cheung MA MB BChir PhD MRCP FRCP FCP FHKCP FHKAM Mr W Dimitri FRCS Dr J W F Elte MD PhD FRCP FACP FEFIM (Hon) Prof A Ferro PhD FRCP FBPhS Dr Andrew Long MA MBBS FRCPCH FRCP FAcadMed FHEA DCH Dr T R J Nicolson BSc MSc PhD MRCP MRCPsych Prof K Redekop PhD Dr D Slovic MA PhD FRCP Prof J A Vale MD FRCP FBTS FBPhS
Secretary	Broadway Secretaries Limited
Charity number	313355
Company number	00721213
Principal address	One Bartholomew Close London EC1A 7BL
Auditor	HW Fisher LLP Acre House 11-15 William Road London NW1 3ER United Kingdom
Investment advisors	Rathbone Investment Manager Limited 159 New Bond Street London W1S 2UD

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

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**THE FELLOWSHIP OF POSTGRADUATE MEDICINE
COUNCIL MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The members of the Council, who are trustees of the Charity for the purposes of charity law and directors for the purposes of company law, present their report and financial statements for the year ended 31 December 2021.

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

The Fellowship of Postgraduate Medicine is a registered charity and a company limited by guarantee, not having a share capital, company registration No. 00721213.

Organisation

The Fellowship of Postgraduate Medicine operates from 11 Chandos Street in London, which it leases from the Medical Society of London. The FPM was founded to meet the increased demand for training in civilian medicine that followed the end of the Great War (1914-18). The Fellowship came into being late in 1918 as the Inter-allied Fellowship of Medicine, with Sir William Osler as 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 coordinating and providing an impetus to the development of postgraduate medical education in London and throughout the United Kingdom. With the establishment of other organizations 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 organized by the Fellowship took place in 1974. The Fellowship continues to make important contributions to postgraduate medical education through its two journals, scientific and health policy conferences and other meetings, and 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.

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

The following Members who served during the year and up to the date of approval of the financial statements were:

Council Members

Professor PJ Barnes	
Professor BMY Cheung	
Dr WR Dimitri (Honorary Treasurer)	
Dr JWF Elte	
Professor A Ferro	
Dr A Long	
Dr TRJ Nicholson (Honorary Secretary)	Resigned as Honorary Secretary on 25 May 2021 but continued as a Council member
Professor K Redekop (<i>Ex-officio</i> until appointed Honorary Secretary)	Appointed Honorary Secretary 26 May 2021
Professor DRJ Singer (President)	Died 11 June 2022
Dr DI Slovic	
Professor JA Vale	

The *Postgraduate Medical Journal* Editor-in-Chief, Professor Bernard Cheung and *Health Policy and Technology* Editor-in-Chief, Professor Ken Redekop, are members of the Council (the latter appointed to Council on 26 May 2021).

Honorary Fellows

Professor D Ingram

Key management personnel

Management of the Fellowship's affairs is directed by its Officers (the President, Honorary Secretary and Honorary Treasurer). Financial matters are monitored and handled by the Honorary Treasurer, with operational matters dealt with under the Treasurer's direction and responsibility. Investment decisions are delegated to the Fellowship's Investment Manager at Rathbone Investment Management Limited and monitored by the Honorary Treasurer and President.

The Council Members consider that they comprise the key management of the Charity in charge of directing and controlling, running and operating the Charity on a day-to-day basis along with the *ex-officio* Members of the Council. No Council Member received any remuneration for services as a member of the Council during the year (2021).

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GOVERNANCE, STRUCTURE AND MANAGEMENT

Risk management

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

The 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 administrative paperwork offsite at a secure storage location.

OBJECTIVES, ACTIVITIES AND RELEVANT POLICIES

Public benefit

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

Activities and specific objectives

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

Review of activities in 2021 and plans for 2022 and beyond

The Fellowship of Postgraduate Medicine continued its interest in supporting national and international postgraduate medical education through its international journals, the *Postgraduate Medical Journal*, founded in 1925, and *Health Policy and Technology*, founded in 2012, and by organizing conferences and workshops. Reports from the Editors-in-Chief of these journals are provided below.

In response to restrictions on physical meetings as part of public health efforts to control the COVID-19 pandemic, the Fellowship of Postgraduate Medicine developed new online approaches to providing updates on clinical medicine in 2020. These sessions were continued in 2021 and attracted a wide range of international expert speakers and new interest from UK delegates and new international audiences from North America, Europe, Africa, the Middle East, South and East Asia and Oceania.

The Fellowship of Postgraduate Medicine arranged a series of webinars in 2021 on Advances in Clinical Medicine. These included:

Updates on chronic obstructive pulmonary disease, Respiratory Medicine, Cardiovascular Medicine, and the prevention and treatment of stroke;

Neurological and neuropsychiatric complications of COVID-19;

New developments in thyroid disease: special causes of abnormal thyroid function tests and thyroid disease and pregnancy.

The year began with a webinar on the Health of world leaders: Winston Churchill's illnesses.

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To mark the 10th anniversary of the launch of *Health Policy & Technology*, a webinar series on key themes of national and international interest was arranged. These included:

Addressing geopolitical challenges to the price of medicines;

Ensuring fair access to healthcare;

Artificial intelligence – improving health, from smart hospitals to smart homes;

Non-scientific threats to public health policies: nutrition and reducing dietary sodium;
Vaccines, trusted information and fake news.

The Fellowship of Postgraduate Medicine website (<https://thefpm.org.uk>) provides full details of speakers and session programmes for these webinars.

The public, health professionals and policymakers increasingly use social media as a source of health information and to guide important decisions on choices and actions about the prevention and treatment of disease. In 2020, to encourage recognition of trusted medical writing in social media, the Fellowship of Postgraduate Medicine launched the annual International Awards for Medical Writing in partnership with its journals, the *Postgraduate Medical Journal* and *Health Policy and Technology*. The International Awards for Medical Writing in Social Media were again presented in 2021. The Awards attracted a strong field, and short-listed candidates were drawn from Bangladesh, India, Ireland, the UK and the USA.

In 2021, the Fellowship of Postgraduate Medicine also provided major support (£ 20,000) again towards the international Hippocrates Prize for Poetry and Medicine. The FPM-Hippocrates awards were announced at an online awards event on 19 May 2021.

In December 2021, the Fellowship of Postgraduate Medicine supported (£6,000) the Encephalitis Society Conference.

For 2022 and beyond, the Fellowship of Postgraduate Medicine plans to continue its series of webinars on clinical medicine and on health policy. The next formal in-person Annual Advances in Medicine Conference is being planned for 2023 at the Royal College of Physicians in London.

**THE FELLOWSHIP OF POSTGRADUATE MEDICINE
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Postgraduate Medical Journal (PMJ): Report by the Editor-in-Chief, Professor Bernard Cheung

In 2021, the Journal received 1,675 manuscripts. Although this was fewer than the 2,046 manuscripts received in 2020, the decrease was mainly due to fewer adverse drug reaction reports, images in medicine, letters and reviews. The number of original articles received increased from 789 to 870.

Of the 1,675 manuscripts received, 288 manuscripts were accepted, giving an acceptance rate of 17%. The immediate rejection rate was 76%. The mean time to the first editorial decision was 14 days (median 6 days). The mean time from submission to acceptance was 58 days. Articles were published online 18 days after acceptance on average, but it took 10 months for an accepted article to appear in print because of the large backlog of accepted articles. The Journal continued to receive and publish articles from all over the world; the submitted articles came, in descending order, from China (19%), India (18%), the UK (16%), and the USA (9%). The percentage of articles published in the PMJ from these countries was 8%, 14%, 34% and 12%, respectively.

The Journal's impact factor increased from 2.4 in 2020 to 4.973 in 2021. This was partly due to articles on COVID-19, which were widely read and cited. As per Journal policy, these articles were published with open access. Although COVID-19 dominated the Journal contents, the PMJ continued to receive and publish many articles on the welfare and training of junior doctors and common diseases from a global perspective.

The annual meeting of the editors was held on 29 October 2021 online. The Minutes of the previous meeting were approved. Key performance indicators of the Journal were presented, and future strategies were discussed. The latter included diversity and inclusion, online publication and social media.

The PMJ strives to move with the times. Increased printing and mailing costs, coupled with the changing habits of contemporary readers, mean that the vast majority of our readers access the PMJ online. The number of page views and article views in 2021 were 4.53 million and 2.99 million, respectively, an increase of 31% and 32%, respectively, compared to the previous year. The number of users from the UK, US and India has grown on average by 46% year-on-year. Interestingly, the vast majority of online readers were directed to our website through Google.

The year 2022 will be a challenging year for the PMJ as it reviews its future strategies and operations, including a change in its publisher. While the PMJ celebrates the large increase in impact factor, the PMJ also deeply mourns the passing away of Professor Donald Singer, who has guided the growth of the Journal as the President of the Fellowship of Postgraduate Medicine.

**THE FELLOWSHIP OF POSTGRADUATE MEDICINE
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Health Policy and Technology (HPT): Report by the Editor-in-Chief, Professor Ken Redekop

In 2021, there were 508 manuscript submissions, which was once again greater than in previous years (n=458 in 2020 and n=209 in 2019). This sustained increase in manuscripts is partly related to COVID-19 in some ways, but other factors are certainly involved.

The acceptance rate in 2021 was 15%, substantially lower than in previous years (2019, 32%; 2020, 23%). This decrease is mainly due to the increased number of "desk" rejections (i.e. rejections made before sending the manuscript out for review).

The average time to the first editorial decision (1.8 weeks) did not change compared to 2020 (1.7 weeks). In contrast, the average time from submission to acceptance increased from 21 weeks in 2020 to 30 weeks in 2021. The time to online publication was only slight longer than the time to acceptance (31 vs 30 weeks); the time to final publication was 45 weeks, which was also shorter than the time seen in 2020 (36 weeks). In 2021, the Journal continued to receive and publish articles from authors around the world; in descending order, the submitted articles came from authors in India (n=70), Iran (n=66), Turkey (n=47), China (n=46), and USA (n=46).

The Journal's impact factor in 2021 remained stable at 1.980 compared to 1.931 in 2020. It should be noted that this impact factor was substantially higher than the impact factor seen in the previous years. Regarding full-text usage, 2021 saw an increase in the number of manuscripts that were downloaded or viewed online (272,353 in 2021 vs 210,384 in 2020). This result follows a continuing upward trend in usage over the years; in 2017, there were only 55,106 downloads and views.

In 2020, Elsevier submitted an application to the US National Library of Medicine to include Health Policy and Technology in MEDLINE. The contents of this application were prepared together with Elsevier (Jose Mena). After a long wait, the result communicated to Elsevier in the fall of 2021 was unfortunately negative. The possible reasons for it were discussed with Elsevier, and the conclusion was that the decision remains rather subjective and that only minor improvements could be made to increase the chance of a successful application in the future. These improvements have since been implemented, and the intention now is to reapply in 2023.

Regarding special issues, two proposals were approved. The first one, 'The COVID-19 Pandemic: Vaccination Strategies and Global Health Policy', can be seen as a follow-up to a previous special issue on COVID-19 (published in 2020), which contained many of the most frequently cited articles in 2021. The second approved special issue is titled 'Innovative Approaches to Strengthening Health Systems in Low- and Middle-Income Countries'.

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In celebration of the 10th anniversary of the Journal, *Health Policy and Technology*, together with Vital Transformation, organized a series of five webinars from July to November 2021 on highly relevant topics with excellent speakers. These webinars were well-received and generally well-attended.

An additional goal for 2021 was to improve the social media presence of HPT. This was achieved by inviting five very enthusiastic and capable healthcare professionals to be social media editors for HPT. The editors are located across the globe (US, UK, Morocco, India and Australia) and are not only involved in sharing (e.g., tweeting) the findings described in an HPT article but have also participated in webinars, submitted articles and identified people capable of submitting good articles to HPT.

FINANCIAL REPORT FOR THE YEAR

The income for the year was £814,814 (2020 - £760,267) before gains on investments of £630,166 (2020 - gains of £223,866).

Investment policy and performance

The Fellowship's investment portfolio is managed by Rathbone Investment Management Limited subject to the terms of a discretionary management agreement. The investment manager has been instructed by the Fellowship that no purchases are permitted of shares in companies involved in the brewing of alcoholic beverages or the manufacture of tobacco or armaments products. The total investment in any one entity should not exceed 10% of the total portfolio value. Otherwise, there are no restrictions on the charity's power to invest. Details of the Fellowship's investments are set out in note 12 to the accounts.

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

The charity's investment portfolio yielded income of £126,410 (2020 - £101,650) and increased in value during the year to a market value of £5,346,327 (2020 - £4,421,372). The Council are satisfied with the performance of the investments in the year.

**THE FELLOWSHIP OF POSTGRADUATE MEDICINE
COUNCIL MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 £6,295,269 (2020 - £5,333,810). £51,193 (2020: £82,061) 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 £6,244,076 (2020 - £5,251,749). Council members are reviewing options for the use of reserves in the future, including utilising reserves to purchase a property.

Free reserves are also required to manage future uncertainty in journal income. The trustees consider that this level of free reserves matches the parameters set out in the charity's reserves policy above and they, therefore, consider free reserves to be adequate but not excessive, particularly in acknowledgement of the likely impact of the Coronavirus outbreak on investment performance and yields.

Assessment of going concern

At the time of approving the financial statements, the trustees have a reasonable expectation, based on the level of their reserves, cash held at bank and investments, that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Council continue to adopt the going concern basis of accounting in preparing the financial statements.

Related party transactions

These are described in notes 8 and 20.

**THE FELLOWSHIP OF POSTGRADUATE MEDICINE
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Disclosure of information to auditor

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

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



Mr W Dimitri FRCS

Trustee

13 Dec 2022

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

STATEMENT OF COUNCIL MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company Law requires the Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE FELLOWSHIP OF POSTGRADUATE MEDICINE

Opinion

We have audited the financial statements of The Fellowship of Postgraduate Medicine (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Council Members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Council Members' report.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE FELLOWSHIP OF POSTGRADUATE MEDICINE

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

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

Responsibilities of Council Members

As explained more fully in the statement of Council Members' responsibilities, the Council Members, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Council Members are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council Members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of our planning process:

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

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

- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Documenting and verifying all significant related party balances and transactions.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Obtaining bank confirmations for material bank and investment balances.
- Reviewing documentation such as the Council Minutes for discussions of irregularities including fraud.

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE FELLOWSHIP OF POSTGRADUATE MEDICINE

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

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

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom
13 Dec 2022
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THE FELLOWSHIP OF POSTGRADUATE MEDICINE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from:			
<u>Income from charitable activities</u>			
Postgraduate Medical Journal	3	651,791	620,915
Health Policy and Technology Journal	3	36,213	37,702
Investments	4	126,410	101,650
Total income		814,414	760,267
<u>Expenditure on:</u>			
Raising funds	5	31,531	23,576
Charitable activities	6	451,590	357,652
Total resources expended		483,121	381,228
Net gains/(losses) on investments	10	630,166	223,866
Net movement in funds		961,459	602,905
Fund balances at 1 January 2021		5,333,810	4,730,905
Fund balances at 31 December 2021		6,295,269	5,333,810

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

All income and expenditure derive from continuing activities.

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

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		4,075		5,514
Investments	12		5,346,327		4,421,372
			<u>5,350,402</u>		<u>4,426,886</u>
Current assets					
Debtors	14	181,289		152,964	
Cash at bank and in hand		1,066,808		969,177	
		<u>1,248,097</u>		<u>1,122,141</u>	
Creditors: amounts falling due within one year	15	<u>(303,230)</u>		<u>(215,217)</u>	
Net current assets			944,867		906,924
Total assets less current liabilities			<u>6,295,269</u>		<u>5,333,810</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	18	42,308		82,061	
General unrestricted funds		<u>6,252,961</u>		<u>5,251,749</u>	
			6,295,269		5,333,810
			<u>6,295,269</u>		<u>5,333,810</u>

13 Dec 2022

The financial statements were approved by the Council Members on



Mr W Dimitri FRCS
Trustee

Company Registration No. 00721213

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	21		297,541		599,410
Investing activities					
Purchase of tangible fixed assets		-		(5,754)	
Cash introduced to investment portfolio		(200,000)		-	
Investment income received		90		818	
Net cash used in investing activities			(199,910)		(4,936)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			97,631		594,474
Cash and cash equivalents at beginning of year			969,177		374,703
Cash and cash equivalents at end of year			1,066,808		969,177

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation, based on the level of their reserves, cash held at bank and investments, that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Council continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

1.4 Income

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

Income comprises investment income, income from publications and conferences.

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

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

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

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

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

All expenditure is stated inclusive of irrecoverable VAT.

Allocation of support and governance costs

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

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

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

1.6 Tangible fixed assets

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

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

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

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

1.7 Fixed asset investments

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

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

1.8 Cash and cash equivalents

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

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.9 Financial instruments

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

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

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

1.10 Leased asset

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

2 Critical accounting estimates and judgements

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

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

3 Income from charitable activities

	Postgraduate Medical Journal	Health Policy and Technology Journal	Total 2021	Postgraduate Medical Journal	Health Policy and Technology Journal	Total 2020
	2021	2021		2020	2020	
	£	£	£	£	£	£
Publishing income	651,791	36,213	688,004	620,915	37,702	658,617
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Income from listed investments	126,320	98,852
Interest receivable	90	2,798
	<u> </u>	<u> </u>
	126,410	101,650
	<u> </u>	<u> </u>

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Raising funds

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
<u>Fundraising and publicity</u>		
Other fundraising costs	31,531	23,576
	<u>31,531</u>	<u>23,576</u>

6 Charitable activities

	Hippocrates Poetry Award	Postgraduate Medical Journal	Seminars and events	Health policy and Technology	Total 2021	Total 2020
	2021	2021	2021	2021		
	£	£	£	£	£	£
Event costs	-	-	30,334	-	30,334	17,819
Production, promotion, dispatch and website development	-	50,245	-	-	50,245	51,017
Fellowship members' subscriptions	-	-	-	51,614	51,614	29,901
Editorial costs	-	67,025	-	12,000	79,025	78,102
Grants awarded	26,600	-	10,000	-	36,600	20,000
Publisher's share of surplus - British Medical Association	-	130,352	-	-	130,352	124,183
Other direct costs	-	-	-	-	-	355
	<u>26,600</u>	<u>247,622</u>	<u>40,334</u>	<u>63,614</u>	<u>378,170</u>	<u>321,377</u>
Share of support costs (see note 7)	3,828	35,639	5,805	9,157	54,429	24,075
Share of governance costs (see note 7)	1,335	12,435	2,026	3,195	18,991	12,200
	<u>31,763</u>	<u>295,696</u>	<u>48,165</u>	<u>75,966</u>	<u>451,590</u>	<u>357,652</u>

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Charitable activities

(Continued)

For the year ended 31 December 2020

	Hippocrates Poetry Award	Postgraduate Medical Journal	Seminars and events	Health policy and Technology	Total 2020
	£	£	£	£	£
Event costs	-	-	17,819	-	17,819
Production, promotion, dispatch and website development	-	51,017	-	-	51,017
Fellowship members' subscriptions	-	-	-	29,901	29,901
Editorial costs	-	66,102	-	12,000	78,102
Grants awarded	20,000	-	-	-	20,000
Publisher's share of surplus - British Medical Association	-	124,183	-	-	124,183
Other direct costs	-	-	-	355	355
	<u>20,000</u>	<u>241,302</u>	<u>17,819</u>	<u>42,256</u>	<u>321,377</u>
Share of support costs (see note 7)	1,445	18,056	1,204	3,370	24,075
Share of governance costs (see note 7)	732	8,784	610	2,074	12,200
	<u>22,177</u>	<u>268,142</u>	<u>19,633</u>	<u>47,700</u>	<u>357,652</u>
Analysis by fund					
Unrestricted funds	<u>22,177</u>	<u>268,142</u>	<u>19,633</u>	<u>47,700</u>	<u>357,652</u>

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

7 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Depreciation	1,439	-	1,439	1,344	-	1,344
Rent, rates, light and heat	13,446	-	13,446	13,401	-	13,401
Legal and professional fees	25,883	-	25,883	3,863	-	3,863
Other costs	13,661	-	13,661	5,467	-	5,467
Audit fees	-	11,700	11,700	-	7,450	7,450
Accountancy	-	7,291	7,291	-	4,750	4,750
	<u>54,429</u>	<u>18,991</u>	<u>73,420</u>	<u>24,075</u>	<u>12,200</u>	<u>36,275</u>
Analysed between						
Charitable activities	<u>54,429</u>	<u>18,991</u>	<u>73,420</u>	<u>24,075</u>	<u>12,200</u>	<u>36,275</u>

Governance costs includes payments to the auditors of £11,700 (2020- £7,450) for audit fees and £3,600 (2020- £4,750) for accountancy services along with an under-provision of £3,691 in respect of audit fees in 2020. In addition £14,557 was billed in respect of VAT advice.

8 Council Members

None of the Council Members (or any persons connected with them) received any remuneration or benefits from the charity during the year. Professor Ken Redekop, formerly an Ex-Officio member of the Council (subsequent to the year end a full member), receives an honorarium in connection with his editorial work on the Health Policy and Technology Journal. In 2021 this sum was £6,000 (2020: £12,000) - the charge in respect of 2020 includes an under-provision in respect of the prior year. In addition, Professor Bernard Cheung received nil (2020: £20,000), an Ex-Officio member of the Board of Trustees, is granted an annual honorarium for editorial activities.

Expenses of £7,322 (2020 - £6,299) were reimbursed to one (2020 - one) members of the Council in connection with work on the journals, core Fellowship business and delivering medical symposiums. These amounts related predominantly to the reimbursement of event and equipment costs. Individuals are not remunerated in their capacity as members of the Council.

9 Employees

There were no employees in the current or prior year.

10 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Revaluation of investments	489,470	194,097
Gain/(loss) on sale of investments	140,696	29,769
	<u>630,166</u>	<u>223,866</u>

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 January 2021	5,226	10,170	15,396
At 31 December 2021	5,226	10,170	15,396
Depreciation and impairment			
At 1 January 2021	5,226	4,656	9,882
Depreciation charged in the year	-	1,439	1,439
At 31 December 2021	5,226	6,095	11,321
Carrying amount			
At 31 December 2021	-	4,075	4,075
At 31 December 2020	-	5,514	5,514

12 Fixed asset investments

	Listed investments	Cash in portfolio	Total
	£		£
Cost or valuation			
At 1 January 2021	4,064,142	357,230	4,421,372
Additions	987,979	(987,979)	-
Valuation changes	489,470	-	489,470
Cash introduced	-	200,000	200,000
Dividend income	-	126,320	126,320
Investment manager fees	-	(31,531)	(31,531)
Disposals	(557,482)	698,178	140,696
At 31 December 2021	4,984,109	362,218	5,346,327
Carrying amount			
At 31 December 2021	4,984,109	362,218	5,346,327
At 31 December 2020	4,064,142	357,230	4,421,372

13 Financial instruments

	2021	2020
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	4,984,109	4,064,142

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Debtors		
	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	151,076	117,978
Prepayments and accrued income	30,213	34,986
	<u>181,289</u>	<u>152,964</u>

15 Creditors: amounts falling due within one year		
	2021	2020
	£	£
Other taxation and social security	271,831	199,017
Accruals and deferred income	31,399	16,200
	<u>303,230</u>	<u>215,217</u>

16 Liability of members

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

17 Taxation

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

18 Designated funds

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

	Movement in funds			Movement in funds			
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£	£
Health, Policy and Technology Journal	92,059	37,702	(47,700)	82,061	36,213	(75,966)	42,308
	<u>92,059</u>	<u>37,702</u>	<u>(47,700)</u>	<u>82,061</u>	<u>36,213</u>	<u>(75,966)</u>	<u>42,308</u>

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

THE FELLOWSHIP OF POSTGRADUATE MEDICINE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Operating lease commitments

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

	2021 £	2020 £
Within one year	10,000	10,000

20 Related party transactions

During the year the Charity made a donation of £20,000 to Hippocrates Prize for Poetry and Medicine (2020 - £20,000).

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

21 Cash generated from operations

	2021 £	2020 £
Surplus for the year	961,459	602,905
Adjustments for:		
Investment income recognised in statement of financial activities	(126,410)	(101,650)
Gain on disposal of investments	(140,696)	(29,769)
Fair value gains and losses on investments	(489,470)	(194,097)
Depreciation and impairment of tangible fixed assets	1,439	1,344
Investment managers fees	31,531	25,556
Movements in working capital:		
(Increase)/decrease in debtors	(28,325)	244,504
Increase in creditors	88,013	50,617
Cash generated from operations	297,541	599,410

22 Analysis of changes in net funds

The charity had no debt during the year.