

**Fellowship
of Postgraduate
Medicine**

Incorporating:
Davidson
Scholarship
Fund
(Charity
Registration
No. 313955)

Annual Report and Accounts

31 December 1999



Company Limited by Guarantee
Registration Number
721213 (England and Wales)

Charity Registration Number
313355

Buzzacott

Contents

Reports

Legal and administrative information	1
Report of the Council	3
Auditors' report	8

Accounts

Statement of financial activities	9
Balance sheet	10
Principal accounting policies	11
Notes to the accounts	13

Davidson Scholarship Fund

Statutory accounts - Charity Number 313955	17
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Other

The following pages do not form part of the statutory accounts:	
Detailed income and expenditure account	19
Detailed schedule of investments	21

Legal and administrative information

Members of the Council

Dr C D M Drew CStJ MA MB BChir
FRCP FFPM FRSA - President
Dr G C Cook DSc MD FRCP -
Vice President
Dr B I Hoffbrand DM FRCP -
Vice President
Dr D G James MA MD FRCP -
Vice President
Dr A Malcolm MD FRCP FFPM -
Honorary Secretary
Dr M W N Nicholls FRCPATH -
Honorary Treasurer
Dr J F Mayberry DSc MD FRCP -
Editor Ex-Officio
Dr C R K Hind MD FRCP
Prof P J Barnes MA DM DSc FRCP
Dr D J Coltart MD FRCP FACC
Prof P A Routledge MD FRCP
Dr D R J Singer MD MRCP

Honorary Members of the Council

Mr J P Hopewell FRCS
Prof D Ingram PhD FBCS
Dr A A G Lewis FRCP
Dr C Rob FRCS
Dr W Somerville FRCP

Registered/Principal office

12 Chandos Street
London
W1M 9DE

Telephone

(020) 7636 6334

Facsimile

(020) 7436 2535

Company registration number

721213 (England and Wales)

Charity registration number

313355

Legal and administrative information

Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG
Investment managers	HSBC Investment Management 6 Bevis Marks London EC3A 7JQ
Bankers	Barclays Bank PLC PO Box No 4BP Liberty House 212 Regent Street London W1A 4BP
Solicitors	Druces & Attlee Salisbury House London Wall London EC2M 5PS

Report of the Council 31 December 1999

The Council Members present their statutory report with the accounts of the Fellowship of Postgraduate Medicine for the year ended 31 December 1999.

The results for the year are presented in the form of a Statement of Financial Activities, which incorporates the traditional income and expenditure account, in order to comply with the Statement of Recommended Practice for charities, issued by the Charity Commission in October 1995.

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. 721213.

Principal objective and activities

The principal objective of the Fellowship is to promote the postgraduate study of medicine.

Postgraduate Medical Journal

The Journal is the Fellowship's vehicle for meeting the objects of its constitution dedicated to the promotion of postgraduate education. It publishes a combination of original clinically orientated research papers, review articles, case reports, reports of national and international clinical meetings, and a diary of forthcoming postgraduate events. The editorial policy of the Journal is increasingly directed as a programme of structured continuing medical education.

Medical Research

The Fellowship has always been eager to promote clinical research, particularly by young investigators in training.

The Fellowship offers research and travelling fellowships to young clinical research fellows to assist them in their work, a condition of acceptance being that they submit a report of their research for publication in the Journal.

Organisation

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

The Fellowship came into being through the amalgamation of two organisations, the Fellowship of Medicine and the Postgraduate Medical Association. It was founded to meet the increased demand for training in civilian medicine that followed the end of the first world war.

The Fellowship has always been independent of Government and University. It had a pioneering role in co-ordinating and providing an impetus to the development of postgraduate medical education in London and throughout the United Kingdom. With the establishment of other organisations such as the British Postgraduate Medical Federation, the Postgraduate Centre movement in hospitals throughout the country, and the postgraduate activities of Royal College and Faculties, its role inevitably changed, and the last course organised by the Fellowship took place in 1974. However, there are important areas of postgraduate medical education and research which are not covered by them, and the Fellowship is active in many of these.

Progress during the year

Postgraduate medical education and research is rapidly expanding nationally and internationally, and the Fellowship of Postgraduate Medicine is committed to close and continued involvement in the expansion. Its Officers welcome approaches from colleagues in postgraduate medicine who believe that the Fellowship could assist them in their work.

During the year the Fellowship, together with the Royal College of Physicians, sponsored a regional conference in Cambridge.

It is also proposed that the Fellowship funds a conference organiser based at CHIME (The Centre for Health Informatics and Multi-professional Education) to work with colleagues from the Fellowship to provide a program of one day workshops and conferences for clinicians involved in postgraduate medical education. Although CHIME is well situated geographically and has considerable local expertise, we might envisage Fellows hosting activities in parts of the country other than London.

The Fellowship of Postgraduate Medicine has supported the development of an electronic version of the Postgraduate Medical Journal via a website. Under the aegis of the British Medical Journal's Publishing Group this site has been free until April 2000 and will run in parallel with the paper publication.

With the move of the editorial office to Leicester, negotiations have started to sublet two rooms vacated by the Journal's editorial assistant. It is hoped to finalise under leases with the Institute of Psychosexual Medicine and the World Federation of Neurology, both of which have been approved by the Medical Society of London which grants our head lease.

Financial report for the year

The net movement in funds for the year was £168,819 (1998 -£51,542).

Journal income overall rose from £235,266 in 1998 to £248,248. No supplements were produced in 1999 (1998 - £nil).

Subscription income, being the major component of journal income, increased from £216,907 in 1998 to £221,204 in 1999, reflecting a decrease in the number of subscribers together with an increase in rates. The gross margin receivable from this source is just below 34%.

The Members of the Council consider the results to be satisfactory.

Investment policy

The Fellowship's investment portfolio is managed by HSBC Investment Management subject to the terms of a discretionary management agreement. Details of the Fellowship's investments are set out in note 8 to the accounts.

The investment objective aims to provide a long term return for the Fellowship.

Reserves policy

The Fellowship maintains a general fund to continue its promotion of postgraduate study of medicine by publishing a journal, arranging lectures, demonstrations and discussions from time to time and awarding occasional education, travelling and research grants.

The Fellowship's policy is to maintain adequate general reserves to provide continuing income from its invested funds, to have general funds sufficient to meet the requirement for working capital and to meet any temporary shortfall of funds so as to enable the fellowship to achieve its charitable objectives.

Council Members' responsibilities statement

Company law requires the Council Members, as charity trustees and directors, to prepare accounts of the Fellowship for each financial year which give a true and fair view of the state of affairs of the Fellowship and of its income and expenditure for that period. In preparing the attached accounts the Council Members consider the Fellowship has:

- ♦ selected suitable accounting policies and then applied them consistently;
- ♦ made judgements and estimates that are reasonable and prudent;
- ♦ followed applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- ♦ prepared the accounts on the going concern basis unless it is inappropriate to presume that the Fellowship will continue in business.

Council Members' responsibilities statement (continued)

The Council Members have responsibility for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fellowship and enable it to ensure that the accounts comply with the Companies Act 1985. They also have responsibility for safeguarding the assets of the Fellowship and for taking reasonable steps to prevent and detect fraud and other irregularities.

The Council

The Council Members constitute directors of the Fellowship for the purposes of the Companies Act 1985 and trustees of the Fellowship for the purposes of charity legislation.

The following Members were in office at 31 December 1999 and served throughout the year, except where shown.

Council Members	Appointed / Resigned
Dr C D M Drew	
Dr M W N Nicholls	
Prof G F Batstone	Resigned 9 November 1999
Dr G C Cook	
Dr B I Hoffbrand	
Mr J P Hopewell	Retired 22 June 1999
Dr D G James	
Dr P R Wilkinson	Resigned 24 September 1999
Dr C R K Hind	
Prof P J Barnes	
Prof J G Bligh	Resigned 9 November 1999
Dr D J Coltart	
Prof D Ingram	Resigned 22 June 1999
Mr C D Johnson	Resigned 22 June 1999
Dr W A Lynn	Resigned 22 June 1999
Dr A Malcolm	
Dr J F Mayberry	
Prof P A Routledge	
Dr D R J Singer	

Honorary Council Members	Appointed / Resigned
Mr J P Hopewell	Appointed 18 May 1999
Prof D Ingram	Appointed 18 May 1999
Dr A A G Lewis	Appointed 18 May 1999
Dr C Rob	Appointed 18 May 1999
Dr W Somerville	Appointed 18 May 1999

No Council Member received any remuneration for services as a member of the Council (1998 - £nil) but Dr J F Mayberry received an honorarium in respect of editorial duties totalling £7,500 (1997 - £9,375), together with expenses of £544 (1998 - £218). Three Council Members were also reimbursed expenses totalling £1,470 (1998 - £nil). Trustees' indemnity insurance was paid amounting to £951 (1998 - £572).

Report of the Council 31 December 1999

Year 2000

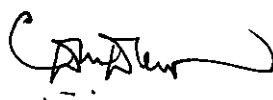
The Fellowship has experienced no significant computer or operating problems arising from the advent of the Year 2000. There may be problems yet to be identified but the members of the Council are confident of being able to deal promptly with any that may occur. The costs of dealing with the Year 2000 issue are expensed as incurred.

Auditors

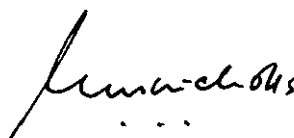
The auditors Buzzacott will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Council:

President



Honorary Treasurer



Approved by the Council on:

16. May 2000.

Auditors' report to the Members of the Fellowship of Postgraduate Medicine

We have audited the accounts on pages 9 to 17 which have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and the accounting policies set out on pages 11 and 12.

Respective responsibilities of Members of the Council and auditors

As described on pages 5 and 6, the Council Members are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Council Members in the preparation of the accounts, and of whether the accounting policies are appropriate to the Fellowship's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the Fellowship's state of affairs as at 31 December 1999 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Buzzacott
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG



Statement of financial activities Year to 31 December 1999

	Notes	General Fund 1999 £	General fund 1998 £
Income and expenditure			
Incoming resources			
Journal and supplements		248,248	235,226
Investment income and interest receivable	1	34,354	22,491
Total incoming resources		282,602	257,717
Resources expended			
Direct charitable expenditure	2		
· Journal and supplements		217,742	167,654
· Grants		—	1,000
· Conference co-sponsorship		8,000	—
· Establishment and other support costs		47,906	64,808
		273,648	233,462
Other expenditure			
· Management and administration of the Fellowship	3	15,669	12,268
Total resources expended		289,317	245,730
Net (outgoing)/incoming resources for the year	4	(6,715)	11,987
Realised gains/(losses) on investments		4,337	(5,754)
Statement of total recognised gains and losses			
Net (expenditure)/income		(2,378)	6,233
Unrealised gains on investments	8	171,197	45,309
Net movement in funds		168,819	51,542
Balance brought forward at 1 January 1999		655,303	603,761
Balance carried forward at 31 December 1999		824,122	655,303

All of the Fellowship's activities comprise continuing activities.

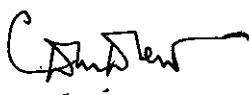
There is no difference between the net income and the historical cost net movement in funds.

Balance sheet 31 December 1999

	Notes	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Tangible assets	7		7,010		6,835
Investments	8		812,129		621,727
			819,139		628,562
Current assets					
Debtors	9	11,255		32,766	
Cash at bank and in hand		12,340		3,688	
		23,595		36,454	
Creditors: amounts falling due within one year	10	(18,141)		(9,242)	
Net current assets			5,454		27,212
Total net assets			824,593		655,774
Represented by:					
Funds and reserves					
Funds on incorporation being surplus of assets at book value over liabilities at the date of incorporation	11		471		471
General fund	11		824,122		655,303
			824,593		655,774

Approved by the Council
and signed on its behalf by:

President



Honorary Treasurer



Approved on:

15 May 2000

Principal accounting policies 31 December 1999

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the inclusion of investments at market value, and in accordance with applicable Accounting Standards and the Statement of Recommended Practice on Accounting by Charities issued by the Charity Commission in October 1995.

Income

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

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

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

Expenditure

Direct charitable expenditure comprises direct expenses incurred on the defined charitable purposes of the Fellowship and includes direct staff costs attributable to the activity (and an allocation of the general management and overhead costs).

Management and administration costs include expenditure on general administration, management, and compliance with constitutional and statutory requirements.

Cash flow

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

Tangible fixed assets

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

- ◆ Office furniture and fittings - 15% reducing balance
- ◆ Computer equipment - 25% on cost

Investments

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

Principal accounting policies 31 December 1999

Fund accounting

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on an accruals basis.

Notes to the accounts 31 December 1999

1 Investment income and interest receivable

	Total 1999 £	Total 1998 £
Equities and fixed interest stock	33,238	20,046
Bank interest	1,116	2,445
	34,354	22,491

2 Direct charitable expenditure

	Total 1999 £	Total 1998 £
Journal and supplements		
Production, promotion, despatch and website development	156,592	114,976
Publishers share of surplus - British Medical Association	48,637	40,290
Reprints, printing and despatch	4,469	2,795
Editor's honorarium and expenses	8,044	9,593
	217,742	167,654
Grants		
Research grants	—	1,000
Conferences		
Conference co-sponsorship	8,000	—
Establishment and other support costs		
Salaries	15,904	32,670
Staff redundancy	1,320	—
Recruitment	—	262
Council meetings	2,732	2,415
Rent, rates, light and heat	19,808	19,792
Repairs and insurance	4,744	8,269
Depreciation	1,425	1,206
Equipment leasing and maintenance	3,852	5,603
Printing and stationery	916	353
Postage	77	1,139
Sundry expenses	4,595	3,850
Telephone	1,007	1,610
	56,380	77,169
World Federation of Neurology reimbursement	(8,474)	(8,648)
National Association of Clinical Tutors reimbursement	—	(3,713)
	47,906	64,808

Notes to the accounts 31 December 1999

3 Management and administration of the Fellowship

	Total 1999 £	Total 1998 £
Audit and accountancy	11,421	6,280
Legal costs	170	2,084
Investment managers' fees	4,065	3,850
Bank charges	13	54
	15,669	12,268

4 Net incoming resources for the year

This is stated after charging (crediting):

	1999 £	1998 £
Staff costs (note 5)	15,904	32,670
Auditors' remuneration		
. audit	3,000	3,000
. non-audit	8,421	3,280
Depreciation	1,425	1,206
Operating lease rentals	3,852	4,143
Management charges to the World Federation of Neurology (WFN)	(8,474)	(8,648)
Management charges to National Association of Clinical Tutors (NACT)	—	(3,713)

5 Staff costs and Council Members' remuneration

	1999 £	1998 £
Staff costs during the year were as follows:		
Wages and salaries	13,597	26,880
Social security costs	1,158	2,649
Other pension costs	1,149	3,141
	15,904	32,670

Staff costs were incurred in carrying out the direct charitable activities of the Fellowship.

No employee earned £40,000 per annum or more (including benefits) (1998 – none).

5 Staff costs and Council Members' remuneration (continued)

The average number of employees, analysed by function was:

	1999	1998
Establishment and other support costs	1	1

No member of the Council received any remuneration in respect of their services as a member of the Council during the year (1997 - £nil). £951 (1998 - £572) was paid in respect of trustees indemnity insurance during the year.

Dr J Mayberry, a member of Council, received an honorarium in respect of editorial duties in the sum of £7,500 (1998 - £9,375 in respect of two editors). Expenses of £544 (1998 - £218) were reimbursed to members of the Council.

6 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.

7 Tangible fixed assets

	Computer equipment £	Office furniture and fittings £	Total £
Cost			
At 1 January 1999	—	24,706	24,706
Additions	1,600	—	1,600
At 31 December 1999	1,600	24,706	26,306
Depreciation			
At 1 January 1999	—	17,871	17,871
Charge for year	400	1,025	1,425
At 31 December 1999	400	18,896	19,296
Net book values			
At 31 December 1999	1,200	5,810	7,010
At 31 December 1998	—	6,835	6,835

The net book value at 31 December 1999 represents tangible fixed assets used in carrying out the direct charitable activities of the Fellowship.

Notes to the accounts 31 December 1999

8 Investments

	Total £
Listed investments	
Market value at 1 January 1999	587,857
Additions at cost	379,271
Disposals at carrying value (proceeds: £340,512; gain: £4,337)	(336,175)
Net unrealised investment gains	171,197
Market value at 31 December 1999	802,150
Cash held by investment managers for re-investment	9,979
	812,129
Cost of listed investments at 31 December 1999	550,828

Listed investments held at 31 December 1999 comprised the following:

	Total £
UK equities	530,313
Non UK equities	205,594
Fixed interest stock	66,243
	802,150

9 Debtors

	1999 £	1998 £
Trade debtors	—	14,488
Other debtors	10,198	12,748
Prepayments and accrued income	1,057	5,530
	11,255	32,766

10 Creditors: amounts falling due within one year

	Note	1999 £	1998 £
Trade creditors		8,663	—
Social security and other taxes		1,401	766
Other creditors		2,266	404
Accruals and deferred income		5,650	7,911
Davidson Scholarship Fund	14	161	161
		18,141	9,242

Notes to the accounts 31 December 1999

11 Analysis of net assets between funds

	General fund £	Funds on incorporation £	Total 1998 £
Fund balances at 31 December 1999 are represented by:			
Tangible fixed assets	6,539	471	7,010
Investments	812,129	—	812,129
Current assets	23,595	—	23,595
Creditors: amounts falling due within one year	(18,141)	—	(18,141)
Total net assets	824,122	471	824,593

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 1999 the Fellowship had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	1999 £	1998 £	1999 £	1998 £
Operating leases which expire:				
Within one year	—	—	1,033	2,152
Within two to five years	18,200	18,200	1,033	1,033
	18,200	18,200	2,066	3,185

14 Connected charity

The Davidson Scholarship Fund (Charity Registration Number 313955) is governed by a Trust Deed dated 2 October 1962 and is administered by the Council for the time being of the Fellowship of Postgraduate Medicine. The fund is set up to provide an award of a Scholarship to students holding Medical Qualifications of a university in some part of the world for the encouragement of clinical tests. The accounts of the fund are set out on page 18.

Davidson Scholarship Fund - Charity Registration 313955

Statement of financial activities Year to 31 December 1999

	Income 1999 £	Income 1998 £
Deposits and interest	893	850
Deposit interest	5	11
Bank charges	(20)	—
Net incoming resources for the year	878	861
Balance brought forward at 1 January 1999	12,914	12,053
Balance carried forward at 31 December 1999	13,792	12,914

Balance sheet 31 December 1999

	1999 £	1998 £
Assets employed		
Current assets		
National Savings Bond Deposit	15,259	14,366
Amounts owed by the Fellowship of Postgraduate Medicine	161	161
Cash at bank	344	359
	15,764	14,886
Represented by		
Capital fund	1,972	1,972
Income fund	13,792	12,914
	15,764	14,886

These accounts were approved by the officer of the Council on:

Honorary Treasurer

Approved on:

Davidson
15. May 2000.