

FACULTY OF MEDICAL LEADERSHIP AND MANAGEMENT

England & Wales · Charity number 1178741

Details

Other names FMLM

Status Registered

Legal form Charitable company

Company number [11390175](#)

Registered 2018-06-12

Register [View on the Charity Commission register](#)

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Activities

Objects: THE OBJECTS OF THE CHARITY ARE:(A) FOR THE PUBLIC BENEFIT, TO ADVANCE EDUCATION AND KNOWLEDGE IN THE FIELD OF MEDICAL LEADERSHIP AND MANAGEMENT AND PROMOTE RESEARCH IN ALL ASPECTS OF THE SUBJECT AND TO PUBLISH THE USEFUL RESULTS;(B) FOR THE PUBLIC BENEFIT, TO ADVANCE HEALTH THROUGH SETTING THE HIGHEST PROFESSIONAL STANDARDS AND COMPETENCES FOR MEDICAL LEADERSHIP, MANAGEMENT AND QUALITY IMPROVEMENT.

Activities: Faculty of Medical Leadership and Management (FMLM) is a membership organisation which promotes medical leadership in the UK. FMLM delivers leadership development for individuals and organisations, sets the standards for medical leadership and awards fellowships against those standards, runs national and international events to promote good medical leadership.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£1,099,576	£1,552,987	£152,363	17
2024-03-31	£1,889,962	£2,712,956	£577,319	17
2022-12-31	£1,971,378	£1,927,667	£1,432,520	18
2021-12-31	£2,145,639	£1,614,728	£1,388,809	13
2020-12-31	£1,322,090	£1,293,630	£857,898	13

Trustees

Name	Role	Appointed
Dame Celia Louise Ingham Clark		2024-12-13
Dr Colin Randolph Melville		2024-12-13
Dr Lisa Knight		2025-04-15
Dr Margaret Ngozi Ikpoh		2024-12-13
Dr jessamy Bagenal		2025-04-15
Jane Ingham		2025-04-15
Neil Newman		2025-04-15
Professor Jacky Dunbar		2024-12-13
Professor WILLIAM ROBERT ROCHE		2024-12-13

Accounts



Faculty of
**Medical Leadership
and Management**

Annual Report and Financial Statements April 2024 - March 2025

Published December 2025

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In accordance with Charity Commission and Companies House requirements:

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Chief Executive Officer Foreword: Professor Rich Withnall

“A Year of Challenge, Change and Collaboration”

FMLM’s past year has been one of challenge, change, and collaboration. The NHS has operated under extraordinary pressure whilst still dealing with the ongoing legacy of the COVID pandemic. The demands upon services, the pace of reform, and the need to restore and sustain the wellbeing of the workforce have tested leaders at every level. Throughout 2024-25, NHS formations were required to deliver efficiency savings of more than £9 billion. Trusts were asked to make rapid short-term savings, limiting strategic planning and shifting leaders’ focus towards delivery within financial constraints, cost-improvement programmes and short-term measures rather than long-term investment. Funding for continuous professional development and workforce training was squeezed. Trusts delayed or cancelled non-essential training, restricted funding for specialist development, and reduced the number of staff supported off-site or on study programmes. Inevitably, like other charities in the sector, the NHS fiscal climate adversely impacted FMLM’s revenue streams. To mitigate these risks, better support our membership, strengthen our role as the UK professional home for clinical leadership, and ensure our long-term financial sustainability, FMLM has necessarily evolved.

In the first quarter of 2024-25, the FMLM Board approved and implemented structural changes to FMLM’s organisation design to ensure we remained agile, financially sustainable, and ready to meet the evolving needs of our members. FMLM’s primary objective remained to raise the standard of patient care by improving clinical leadership but, to better enable this, the FMLM Board invested in growing specialised Marketing and Communications, Membership Services and Commercial Development capabilities. We embraced new technologies, refined how we delivered our services, and continued to build a culture that values transparency, engagement, and shared purpose. This strategic progress resulted in a high turnover of staff though, some of whom had been with FMLM since its creation. Despite the associated personal challenges, the new FMLM team worked hard to improve our flagship offers, including the Clinical Fellows Scheme, and deliver improvements – at pace – to our website, marketing and communications as we develop a new 5-year FMLM strategy to better support our members and fellows.

Underpinned by a new philosophy of “collaboration not competition”, a broader range of leadership development programmes and enhanced clinical fellowships were developed and delivered. We launched new partnerships across the NHS, academic institutions, and professional bodies, reinforcing our belief that collaboration is not just desirable but essential for meaningful and lasting change. Our policy initiatives influenced the national conversation on medical leadership within the Health and Social Care Select Committee (the first time FMLM has been invited to deliver oral evidence), the Messenger Report, and the now-published 10 Year Health Plan for England. Our accreditation standards have helped organisations continue to raise the bar for leadership development and culture in an evidence-informed, inclusive, and compassionate way.

As we look ahead, we do so with optimism and resolve, supported by a new FMLM Board led by Dame Celia Ingham Clark. The challenges facing health and care systems remain significant. But so too are the opportunities to look through a broader lens and support clinical leadership across multidisciplinary teams, organisations and systems. All clinical leaders and managers must make a difference, listen well, collaborate, and act with integrity. Over the last year, I have been continually impressed and inspired by the determination, adaptability and professionalism demonstrated by FMLM members and fellows across the four nations. To each of you who has contributed to FMLM’s shared mission, thank you. Together, we continue to shape the future of health and care leadership - one defined not by hierarchy, but by courage, compassion, and collaboration.



Chair's Reflections:

Dame Celia Ingham Clark

“Looking Back: Moving Forwards”

I have been a member and then Senior Fellow of FMLM since its inception. I am a strong believer in the need to professionalise medical leadership to improve the quality of patient care, and I know FMLM is the key organisation to drive this forward in the UK. I stood down from a national role as a deputy Medical Director at NHS England in 2024 and this gave me the opportunity to apply to become a trustee at FMLM. I then applied successfully to become Interim Chair of the Board of Trustees and took up this role in January 2025 pending ratification at the next Annual General Meeting. I have been made very welcome by all the staff and by the Members and Fellows who I have met. It's a tough act to follow the previous Chairman, Professor Sir Mayur Lakhani, who chaired the Board for the maximum term of five years up until December 2024. My thanks go to him and the other trustees who ended their terms of office around that time.

Looking back, the simultaneous end of terms of office of all the previous trustees presented a challenge that we had to use as an opportunity. At the time I was appointed as a trustee four more clinical trustees were also appointed: Professor Jacky Hayden, Professor William Roche, Professor Margaret Ikpo and Professor Colin Melville. I feel very fortunate to have these colleagues on the Board, bringing a wealth of expertise in medical education, professional standards and leadership.

One of my first tasks as Chair was to appoint new lay trustees to join us on the Board. I was very pleased with the calibre of the applicants and thrilled to have been able to appoint the following: Ms Jane Ingham, a previous charity CEO and Royal College NED; Mr Neil Newman, Commercial Director for the Chartered Governance Institute; Professor Jessamy Bagenal, Senior Executive Editor at The Lancet; and Dr Lisa Knight, Head of Management Development at Liverpool Business School.

Moving forwards with this renewed FMLM Board, we are rebuilding strong governance and further developing our relationships with key stakeholders including in NHS leadership across the breadth of clinical and managerial professions. FMLM's strengths include our Leadership and Management Standards that are evidence-based and which we are using to influence wider development of NHS Leadership and Management standards. We are also proud of our national Clinical Fellow schemes that give outstanding young doctors, dentists, pharmacists and other healthcare professionals a boost to accelerate their progress towards healthcare leadership roles for the future. Going forward we also plan to broaden access to leadership development at all levels, including peer networks and coaching and mentoring support. We are progressing our own analogue to digital transformation in terms of our operating systems, and we are collaborating with others to further develop the proposal for a “College of Executive and Clinical Leadership”. FMLM is committed to transparency, inclusivity and sustainability and aims to be an agile and forward-looking player in the ongoing professionalisation of leadership and management in healthcare.

My thanks to all our staff, Members, Fellows and partners for the work that you do and the collaborations that we are building together. My sincere gratitude to my fellow Trustees for the time, wisdom and effort that you contribute to FMLM. Our ambition continues to be to improve patient care by advancing excellence in clinical leadership and management. I am confident that we can continue to work effectively to achieve this through effective collaboration with colleagues and partners.



Charity FACULTY OF MEDICAL LEADERSHIP & MANAGEMENT (FMLM)
Charity Number 1178741
Company Number 11390175
Countries of Registration England and Wales
Country of Incorporation Incorporated in England and Wales
Registered Address 167-169 Great Portland Street
5th Floor
London
W1W 5PF
Telephone +44 (0)203 137 3643
Email enquiries@fmlm.ac.uk

Company FMLM APPLIED LIMITED
Company Number 111640712
Countries of Registration England and Wales
Country of Incorporation Incorporated in England and Wales
Registered Address 167-169 Great Portland Street
5th Floor
London
W1W 5PF
Telephone +44 (0)203 137 3643
Email applied@fmlm.ac.uk

FMLM works with a range of organisations who provide us with essential services and support professional collaborations, including (shown in alphabetical order):

Services

NAME	EXPERTISE	ADDRESS
Accounts Pro	Accountancy	17 Kings Drive, London, HA8 8ED
Bates Wells Braithwaite	Legal	10 Queen Street Place, London, EC4R 1BE
Charities Aid Foundation Bank (CAF Bank Limited)	Banking	25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ
Circle Interactive	IT	Create Centre, Smeaton Road, Bristol, BS16XN
Robinson Grace HR	HR	Glenwood, 28 Stone Lane, Swindon, SN5 3LD
Smartdesc	IT	133 Whitechapel High Street, London, E1 7PS
TC Derby Ltd	Audit	10 Stadium Business Court, Millenium Way, Pride Park, Derby, DE24 8HP
Wessex Appraisal Service Ltd	Appraisal	Primrose Farmhouse, East Stoke, Wareham, Dorset, BH20 6AN

Collaborations

NAME	EXPERTISE	ADDRESS
BMJ Leader	Academic journal	BMJ Leader Editorial Office, BMA House, Tavistock Square, London, WC1H 9JR
Chartered Management Institute	Management	77 Kingsway, London, WC2B 6SR
Florence Nightingale Foundation	Nursing & Midwifery	10-18 Union Street, London, SE1 1SZ
KPMG UK	Consultancy	15 Canada Square, Canary Wharf, London, E14 5GL
UK Health Alliance on Climate Change	Sustainability	c/o BMJ Publishing Group, Tavistock Square, London, WC1H 9JR



Structure, Governance and Management

Legal Structure and Status

FMLM is a registered charity and the sole shareholder of FMLM Applied Limited.

FMLM Applied Limited is FMLM's subsidiary trading company wholly owned by the Charity.

Governance Framework

Governance responsibilities for the "FMLM Group" (FMLM Charity and FMLM Applied Limited) were consolidated under the FMLM Charity's Board of Trustees upon dissolution of the FMLM Applied Limited Company Board in September 2024. The aim of this was to streamline operations and strengthen alignment with the Charity's core mission. Hence, the FMLM Board sets the strategic direction, oversees policy, and ensures compliance across the whole FMLM Group.

Trustees serve a non-executive capacity. Appointed in open competition after interview, they bring diverse expertise and insights to the FMLM Group. Their appointments and terms of office are set out in the Articles of Associations. Trustees serve on the FMLM Charity's Board "pro bono" and receive no wider financial or other benefits. Induction training and regular reviews ensure Trustees remain up-to-date with their duties and best practice in governance standards.

Board Meetings, Attendance and Support

Quarterly Board meetings are attended by the Trustees, FMLM's Chief Executive Officer, Treasurer, and Chief Operating Officer (COO) who acts as Company Secretary and FMLM Board Secretary. The wider attendance enables the FMLM Board to receive updates on operational matters, performance, risk, and key strategic issues to inform their decision-making.

Committees and Delegated Authorities

To ensure effective oversight and manage workload, the FMLM Board delegates specific responsibilities to sub-committees or working groups chaired by a Trustee appointed within the overarching FMLM Board. Examples include FMLM's "Finance, Audit & Risk Committee".

Risk Management and Internal Controls

The FMLM Board is responsible for establishing and reviewing the FMLM Group's risk management framework. Regular assessments are conducted to identify, evaluate, and mitigate operational, financial, reputational, and strategic risks. Robust internal controls, financial procedures, and oversight mechanisms are in place to safeguard assets and ensure compliance with all legal and regulatory requirements.



Transparency, Accountability and Reporting

FMLM remains committed to high standards of transparency and accountability. Annual reports and financial statements are produced in accordance with regulatory requirements and accounting standards.

Succession, Training and Trustee Development

As detailed below, this reporting period saw a change of the whole FMLM Board as the FMLM Chair and all Trustees' maximum tenures culminated within a matter of weeks. We shall avoid repetition of this in future; steps are being taken to improve the skills balance, diversity, and continuity within the FMLM Board.

All Trustees now receive an induction, developmental support, and periodic updates on governance, regulatory changes, and sector practice. Trustees' own leadership development is encouraged to strengthen FMLM's collective governance capacity.

Chief Executive Officer (CEO)

The CEO has delegated responsibility from the FMLM Trustees for the leadership and management of FMLM. The CEO is held accountable for the efficient deployment of resources (including employed staff), financial management, funding generation and sustainability of the organisation.

The CEO is responsible for strategy development and delivery, ensuring effective governance, high standards and quality throughout the organisation as well as meeting statutory aims for health and safety, data protection and other legal requirements involved in the management of a charity and its subsidiary trading company.

The CEO is also FMLM's "Responsible Officer", leading the statutory role of FMLM as a Designated Body. As such, the CEO must be a registered medical practitioner with a licence to practise.



Aims, Objects and Activities

Aims

FMLM is a registered charity that aims to improve patient care by advancing excellence in clinical leadership and management. The charity and its subsidiary trading company operate for the public benefit through education, standard setting, leadership development, and support for clinical professionals across all stages of their careers.

Objects

FMLM's charitable objects are:

1. To advance education and knowledge in the field of medical leadership and management and to promote research and publish useful results.
2. To advance health by setting professional standards and competencies in medical leadership, management and quality improvement.

Activities

These aims are delivered through a range of activities, including:

1. Setting and assessing standards of clinical leadership, and awarding fellowships to individuals who demonstrate excellence against these standards.
2. Supporting a membership of clinicians through access to leadership resources, training programmes, mentoring, and events.
3. Contributing to the evidence base for clinical leadership through research, publications and thought leadership.
4. Delivering tailored development programmes for individuals, teams and organisations to improve leadership capability across the healthcare system.
5. Acting as a Designated Body for doctors in accordance with statutory regulations.

The Trustees confirm that they have complied with their duty to have due regard to the Charity Commission's guidance on public benefit. All activities undertaken by FMLM are designed to support its charitable objects and deliver demonstrable public benefit, particularly through the improvement of clinical leadership and, ultimately, patient outcomes.

The Trustees review FMLM's aims and activities annually to ensure they remain aligned with its charitable purposes and continue to deliver value and benefit to the public.



Our People

FMLM Board Members

Within this reporting period of this Annual Report:

April 2024 to December 2024 (shown in alphabetical order):

NAME	ROLE
Professor Sir Mayur Lakhani	Chair
Professor Philip Kloer	Trustee
Nargis Ara-Ranaldi	Lay Trustee
David Bennett	Lay Trustee
Alastair Henderson	Lay Trustee
Mark Spragg	Lay Trustee
Tom Grinyer	Board Advisor
Professor Rich Withnall	CEO
Yasmin Ali	COO and Board Secretary

The following new Clinical Trustees were appointed on 13th December 2024 to replace the outgoing Trustees (shown in alphabetical order):

NAME	ROLE
Dame Celia Ingham Clark	Became Interim Chair on 1 st January 2025
Professor Jacky Hayden	Trustee
Professor Margaret Ikpoh	Trustee
Professor Colin Melville	Trustee
Professor William Roche	Trustee

Outside the reporting period of this Annual Report

To complete the new FMLM Board, the following new Lay FMLM Board Members were appointed in April 2025 (shown in alphabetical order):

NAME	ROLE	DATE
Professor Jessamy Bagenal	Lay Trustee	15 th April 2025
Jane Ingham	Lay Trustee	15 th April 2025
Dr Lisa Knight	Lay Trustee	15 th April 2025
Neil Newman	Lay Trustee	15 th April 2025
Chris Hoults	Treasurer	15 th April 2025



FMLM Applied Limited Board

April 2024 to September 2024 (shown in alphabetical order):

NAME	ROLE
Stephen Brooks	Chair and Director
David Bennett	Director
Jamie Ward	Director
Dr Iain Wallace	Director
Nargis Ara Ranaldi	Charity Lay Trustee
Professor Rich Withnall	CEO
Yasmin Ali	COO and Company Secretary

In September 2024, the Chair and Directors of FMLM Applied Limited voluntarily tendered their resignations to enable governance responsibilities for the “FMLM Group” (FMLM Charity and FMLM Applied Limited) to be consolidated under the FMLM Charity’s Board of Trustees to streamline operations and strengthen the subsidiary trading company’s alignment with the Charity’s core mission.



Executive and Operational Team

As reported in FMLM's last Annual Report and Financial Statements (January 2023 – March 2024), despite solid foundations, prior forecasting had been adversely impacted by the COVID-19 pandemic. To re-establish FMLM's firm financial footing, protect charitable reserves, and ensure the business remains a long-term "going concern", the FMLM Board conducted a full review of all staff and services. After careful investigation, consideration and consultation, the Board approved a new structure to streamline operations, re-focus strategic priorities, and improve efficiency. The new structure was enacted during this reporting period, with a reduced staff footprint mitigated by new staff roles and increased investment in contracted partnerships with expert providers of accountancy, marketing, communications, membership and appraisal services.

NAME	ROLE	DEPARTED	JOINED
Professor Rich Withnall	Chief Executive Officer		
Yasmin Ali	Chief Operating Officer		
Maria Sword	Programme Coordinator	Apr 24	
Kirsten Armit	Director of Research	May 24	
Dr Daljit Hothi	Director of FMLM Applied Limited & Leadership Development	May 24	
Jane Howells	Programme Coordinator	May 24	
Petia Ivanova	Associate Director of Finance	Jun 24	
Sophie McGhee	Senior Programme Manager	Jun 24	
Nick Murray	Membership Officer	Jun 24	
Dominique Spence-Rollins	Senior Project Officer (Temporary role)	Jun 24	
Angus Waite	Head of Professional Services and Innovation	Jun 24	
Tess Bridle	Events Manager	Aug 24	
Natasha Clarkson	Operations Manager (Temporary role)	Aug 24	
Dr Shehryar Khan	FMLM Clinical Fellow (Temporary role)	Aug 24	
Dr Paul Evans	Medical Director	Sep 24	
Richard Evens	Director of Commercial Development		Sep 24
Luke O'Reilly	Head of Marketing, Communications and Policy		Sep 24
Natasha Esdale	Programmes and Events Manager		Sep 24
Jen Happe	Membership and Operations Manager		Sep 24
Zoe Seed	Executive Officer		Sep 24
Kirk Wakefield	Executive Officer		Sep 24
Mary Howard	Marketing and Communications Officer		Sep 24



Our Members and Fellows

FMLM is primarily a professional membership body. The expertise, engagement, and ongoing support of our members and fellows continue to shape our direction and strengthen our impact.

At the end of March 2025, FMLM had a total membership of 1764, comprising 1546 Members and 218 Fellows.

FMLM is mindful of emerging Office for National Statistics best practice about how membership and fellowship data should be described, especially when cohorts are small and individuals could be personally identified. To limit this risk, “Other” and “Not Declared” categories have been merged within this Annual Report. Demographics for the reporting period are provided below, respectful of colleagues’ rights not to share their protected characteristics.

Moving forwards, as part of FMLM’s new Equity, Diversity, Inclusion and Belonging (EDI&B) commitments, we are already striving to improve equity of opportunity across all our membership and fellowship categories.

Members

Membership by Category

CATEGORY	PERCENTAGE
Associate	1.7
Undergraduate Student	9.7
Resident Doctor	33.1
Qualified (post-CCT)	53.2
International	0.9
Retired	0.6
Honorary	0.7

Membership by self-identified Gender

CATEGORY	MALE(%)	FEMALE(%)	OTHER / NOT DECLARED(%)
Associate	50.0	50.0	0
Undergraduate Student	58.7	40.0	1.3
Resident Doctor	34.6	36.7	28.7
Qualified (post-CCT)	49.9	29.9	20.2
International	42.9	42.9	14.2
Retired	70.0	30.0	0
Honorary	36.3	27.3	36.4



Membership by self-identified Ethnicity

CATEGORY	WHITE(%)	BAME(%)	OTHER/NOT DECLARED(%)
Associate	76.9	15.4	7.7
Undergraduate Student	35.3	58.0	6.7
Resident Doctor	32.8	35.2	32.0
Qualified (post-CCT)	50.1	26.1	23.8
International	71.4	21.4	7.2
Retired	60.0	30.0	10.0
Honorary	45.5	0	54.5

Fellows

Fellowship by Category

CATEGORY	PERCENTAGE
Associate	22.9
Collaborative	1.4
Fellow	34.4
Senior	40.3
International	0.9

Fellowship by self-identified Gender

CATEGORY	MALE(%)	FEMALE(%)	OTHER/NOT DECLARED(%)
Associate	62.0	32.0	6.0
Collaborative	33.3	33.3	33.3
Fellow	77.3	17.3	5.4
Senior	52.3	45.5	2.2
International	0	100.0	0

Fellowship by self-identified Ethnicity

CATEGORY	WHITE(%)	BAME(%)	OTHER/NOT DECLARED(%)
Associate	60.0	30.0	10.0
Collaborative	0	66.6	33.3
Fellow	62.7	25.3	12.0
Senior	71.6	17.0	11.4
International	0	100.0	0



An Overview of the Reporting Period

Appraisal and Revalidation

In line with FMLM's charitable objects to advance health by setting professional standards and competencies in medical leadership, management and quality improvement, between April 2024 and March 2025, FMLM continued to fulfil its statutory responsibilities as a Designated Body, providing appraisal and revalidation support to doctors across the UK. Professor Rich Withnall (CEO) was FMLM's Responsible Officer. On 31 March 2025, FMLM had 46 connected doctors, reflecting a sustained level of engagement from senior medical leaders working in a wide range of organisations and sectors.

This year marked the beginning of an important new FMLM partnership with Wessex Appraisal Services Ltd, aimed at enhancing the quality, efficiency, and consistency of the appraisal process for connected doctors. Through this collaboration, FMLM has strengthened its capacity to provide robust governance and professional development support, ensuring that revalidation continues to uphold the highest standards of medical leadership and practice.

Between April 2024 and March 2025, 38 appraisals were conducted. 98% of the feedback regarding the Appraiser's skills was rated 'Very Good' by connected doctors. A total of 29 revalidation recommendations were submitted to the General Medical Council (22 positive recommendations; 7 deferrals as a neutral act).

The amendments to the Medical Profession (Responsible Officers) (Amendment) Regulations 2025 (SI 2025/221) came into force on 27 March 2025. These made changes to the connections of some senior doctors and require that NHS England, the Department of Health and Social Care and the General Medical Council to nominate or appoint a sufficient number of ROs. The Medical Director of NHS England, the Chief Medical Officer of the Department of Health and Social Care, and the Responsible Officers for the Scottish and Welsh Ministers now have a prescribed connection with the General Medical Council. Whilst the Medical Director and Deputy Medical Director of NHS England are no longer connected to FMLM, we continue to have a close relationship with these post holders.

FMLM Research

In line with FMLM's charitable objects to advance education and knowledge, promote research and publish useful results, FMLM continued its successful 50% co-ownership of BMJ Leader with the BMJ Group. Now in its seventh year, this partnership supports the journal's mission to advance evidence-based leadership and management in healthcare. BMJ Leader is available to all FMLM members as part of their membership.

Between April 2024 and March 2025, BMJ Leader maintained its position as a leading international journal dedicated to medical and healthcare leadership. The journal's reach and influence continued to grow, with over 262,750 article views and downloads. Subscriptions from academic institutions, healthcare organisations, and leadership bodies expanded steadily, and citation rates continued to rise



helping the journal to achieve its inaugural Impact Factor of 1.3. Its SCImago Journal Ranking of 0.409 confirmed BMJ Leader was performing solidly within its category and growing its international academic and professional impact and recognition.

Through this co-ownership, FMLM has strengthened its role in promoting high-quality research, thought leadership, and professional discourse on medical leadership worldwide.

Leadership Development

In line with FMLM's charitable objects to advance education and knowledge in leadership and management, FMLM has continued to deliver a broad and impactful portfolio of leadership development activity spanning national Clinical Fellows Schemes, FMLM Applied Limited programmes and accreditations across the UK, and new international partnerships. We have also prioritised our wider societal responsibilities in areas such as sustainability.

Clinical Fellows Schemes

The highly successful FMLM Clinical Fellow Scheme (CFS) is now into its fifteenth year. In 2024-25, the CFS was sponsored by NHS England's National Medical Director, Chief Dental Officer for England, Chief Pharmaceutical Officer, and Chief Sustainability Officer.

It supported 48 Clinical Fellows who were selected through open competition that included redacting processes to ensure equity of opportunity. The Clinical Fellows benefited from placements across 25 host organisations. These included (in alphabetical order):

Academy of Medical Royal Colleges
Bupa
Care Quality Commission
Centre for Pharmacy Postgraduate Education
Deloitte
General Dental Council
General Medical Council
General Pharmaceutical Council
Health and Social Care Committee
Healthcare Quality Improvement Partnership
National Audit Office
NHS Business Services Authority
NHS England (with Fellows placed across directorates such as Transformation and GIRFT, and the Offices of the Chief Allied Health Professional, Chief Pharmaceutical Officer, and Chief Dental Officer for England)
NHS Pathology Network
National Institute for Health and Care Excellence
Royal Pharmaceutical Society
Specialist Pharmacy Service
The Health Foundation
UK Health Security Agency
and Integrated Care Boards including NHS Cambridgeshire and Peterborough, Greater Manchester, Kent and Medway, and Sussex



The CFS programme follows the academic year. It provides Fellows with a structured developmental pathway aligned to FMLM's Leadership and Management standards. The key learning domains focus on Organisation, Self, Teams and Systems.

Throughout the 12-month programme from September 2024 to August 2025, Fellows participated in a range of developmental and educational activities, including: webinars; Action Learning Sets; use of FMLM's 360-degree feedback tool; Teams Days; a "Power and Politics Day" interacting with sitting Members of Parliament; and themed days such as "Olivier Mythodrama" (an innovative, inspirational leadership session that blends classic storytelling on a powerful and practical journey of self-discovery and growth through 10 archetypes inspired by Shakespeare's Henry V).

The 2024-25 programme concluded with a Graduation event at the Royal College of Anaesthetists on 16 July 2025 in which we celebrated the Fellows' outstanding achievements. Our Keynote Speaker was Professor Dame Parveen Kumar, Emerita Professor of Medicine and Education.

Upon completion of the CFS programme, Fellows join the FMLM Alumni network, providing feedback and supporting and mentoring future CFS cohorts. Following the 2024-25 CFS programme, 87.5% of Fellows who responded fed back that they would recommend the programme to a friend or colleague. They reported increased confidence, resilience, and appreciation for the value of effective clinical leadership, as well as feeling more empowered to lead within the NHS and across the wider healthcare system.

FMLM Applied Limited Programmes and Accreditations

In line with FMLM's charitable objects to advance education and knowledge, between April 2024 and March 2025, FMLM Applied Limited worked with a widening range of clinicians including Medical Directors, Clinical Directors, Clinical Leads, Consultants, SAS doctors and Resident Doctors to deliver and/or accredit over 40 leadership development programmes across the UK and overseas. These ranged from one-day workshops to 12-month interventions to address local strategic priorities such as quality improvement, workforce well-being and operational resilience. Interactive, blended and spiral learning techniques were applied. The use of Action Learning Sets successfully established new leadership networks.

In extending its historical reach beyond England, FMLM strived to improve its support to colleagues in Wales, Scotland and Northern Ireland. Partnerships have been broadened and deepened at University, Trust and Governmental levels.



Examples (in alphabetical order) included:

PARTNERING ORGANISATION	PROGRAMME
Barking, Havering and Redbridge University Hospitals NHS Trust	Leading beyond boundaries
Cass Business School	Executive Masters in Medical Leadership
European Association for Cardio-Thoracic Surgery	Women in Cardiothoracic Surgery Leadership Masterclass
Green Templeton College, University of Oxford	Management in Medicine
Guy's & St Thomas' NHS Foundation Trust	Generic Professional Capabilities Hub Anaesthetic Leadership Development
HSC Leadership Centre, Belfast	eChrysalis Leadership Programme
Ingenix Leadership Ltd	Emerging Leaders Programme
Johns Hopkins Aramco Healthcare Company	Leadership Development Programme
King's College London	Next Steps: Leadership and Management Fellows Programme
Leaders Plus	Leaders Plus NHS Fellowship
Liverpool University Hospitals NHS Foundation Trust	Clinical Directors Leadership Development Programme
NHS England and Boehringer Ingelheim	Renal Leadership Programme
Northern Lincolnshire and Goole NHS Foundation Trust	Emerging Leaders Programme
Oxford Medwell Academy	Leadership in Healthcare Management
Royal College of Psychiatry	Leadership and Management Fellow Scheme
Scottish Ambulance Service	Foundation Leadership and Management Programme
Surrey and Sussex Healthcare NHS Trust	SASH+ Lean for Leaders
Swansea University	MSc Advanced Health and Care Management (Innovation and Transformation)
Swansea University	MSc Advanced Health and Care Management (Values Based Healthcare)
University College London Medical School	MSc Health Professions Education (Leadership)
Velindre University NHS Trust	Senior Leader Development Programme
Wessex Workforce, Training and Education Directorate	Wessex Chief Residents Programme



Such leadership development is a critical enabler of progress across all dimensions of the NHS Quintuple Aim: improving population health; enhancing the patient experience of care; supporting the workforce; advancing health equity; and ensuring financial sustainability. FMLM's work directly addressed these interconnected goals by equipping clinicians with the individual, team, organisational and systems-thinking capabilities required to lead necessary transformation within complex environments.

The programmes fostered multidisciplinary collaboration and innovation. They enabled integrated pathways to improve population outcomes and patient safety by helping colleagues to recognise structural inequities and engage their communities meaningfully to narrow disparities in access and outcomes (e.g. by cohering metabolic, renal and cardiovascular care pathways). By cultivating compassionate, inclusive, and evidence-informed leadership behaviours, FMLM supported improvements in staff experience and retention, key determinants of service quality and productivity (e.g. in under-resourced mental healthcare services).

International Partnerships

In line with FMLM's charitable object to advance education and knowledge, FMLM has also grown its portfolio of international partnerships reflecting our strategic commitment to advancing clinical leadership and system improvement globally. Challenges facing healthcare leadership, such as quality, equity, sustainability, and workforce resilience, transcend national boundaries. By sharing UK expertise and learning from global best practice, FMLM has strengthened our own leadership frameworks whilst supporting the development of capable, values-driven leaders in diverse health systems.

Through new, outward-facing engagement, FMLM extended its impact beyond the UK and started to position itself as a catalyst for team, organisational and system-level leadership improvement across international boundaries. For example, as a founding member of the World Health Leaders Network, FMLM contributed to multinational collaboration, research, and peer learning. Academic partnerships with the Royal Australasian College of Medical Administrators (RACMA) in Australia and New Zealand helped build managerial capacity, foster system thinking, and promote patient-centred, sustainable healthcare delivery. Keynote presentations in São Paulo informed Ministerial and UNIMED redesign of Brazilian primary healthcare services that provide community care for approximately 18-20 million beneficiaries.

Sustainability

FMLM joined the UK Health Alliance on Climate Change (UKHACC) to reflect our recognition that environmental sustainability is integral to high-quality healthcare leadership and system performance. The climate emergency is a health emergency. The UKHACC unites major health organisations with a combined membership of over 1 million NHS colleagues. The Alliance: advocates for action on climate change as a health emergency; increases awareness of climate-related health risks; promotes policies that reduce emissions; advocates for accelerated decarbonisation across health services; and promotes resilient, equitable healthcare systems. Through membership of UKHACC, FMLM contributes a leadership perspective to this agenda, emphasising the pivotal role of clinical and organisational leaders in embedding sustainability into strategic decision-making, service design, and everyday practice.



In partnership with UKHACC and in line with FMLM's charitable objects to advance education and knowledge in leadership and management, FMLM now aligns its leadership development programmes with the principles of planetary health, supporting NHS leaders to drive the transition to net zero, integrate sustainability metrics into quality improvement, and inspire behavioural change across their teams, organisations and systems. In doing so, FMLM reinforces its own commitment to the NHS's net zero ambitions and strengthens the capacity of healthcare leaders to address the complex, interdependent challenges that define 21st-century healthcare.

Events

Following FMLM most successful Annual Conference to date (Manchester, 26-27 March 2024), the FMLM Board temporarily paused events during the reporting year to focus resources on FMLM restructuring. A major FMLM Conference is currently being planned for early 2026.



Financial Overview

Overall Financial Position

Between April 2024 and March 2025, FMLM's income was £1,100,000. Due to the multifactorial challenges signposted in the CEO's foreword, this was 42% lower than the £1,890,000 achieved in the 15-month trading year from January 2023 to March 2024 (which included the highly successful and profitable FMLM Annual Conference on 26-27 March 2024).

Between April 2024 and March 2025, FMLM's expenditure was £1,553,000. This was a 43% decrease compared to the £2,713,000 expenditure in the 15-month trading year from January 2023 to March 2024.

As predicted, the April 2024 to March 2025 year-end position for the FMLM Group was a deficit of £425,000 (a significant reduction in the £855,000 deficit between January 2023 and March 2024). The remaining deficit was primarily because consultancy income fell by 60% (from £887,000 in 2023-24 to £359,000 in the current year) and, due to FMLM's reorganisation, events that took place in 2023-24 were not repeated in 2024-25 with a consequent reduction in income of £216,000.

The substantial improvement in the deficit position resulted from FMLM's organisational review of all staff and services. Between April 2024 and March 2025, the staff costs were £916,000 (35% lower than the £1,406,000 staff costs in the 15-month trading year from January 2023 to March 2024). Despite these process efficiencies, FMLM membership income grew by 15% from £256,000 between January 2023 to March 2024 to £295,000 between April 2024 and March 2025.

At the end of the April 2024 to March 2025 financial year, unrestricted funds carried forward totalled £113,000. The FMLM Group also had a strong cash position, with cash totalling £547,000 at the end of the April 2024 to March 2025 financial year.

So, whilst there has been a reduction on in the Unrestricted Reserves, the actions taken over the past two years mean that FMLM's activity, income and expenditure are now back in line and the Trustees set a balanced budget for the year to March 2026 and to date the financial performance is in line with expectations.

The FMLM Trustees and Senior Management Team continue to monitor the actual and forecast reserves to ensure that the charity can mitigate the risks that it might face as a result of any changes in the internal or external environment.



Public Fundraising

FMLM does not engage in public fundraising and neither uses professional fundraisers nor commercial participators. Nevertheless, FMLM observes and complies with the relevant fundraising regulations and codes. Between April 2024 and March 2025, there was neither non-compliance with these regulations and codes, nor any complaints relating to FMLM's fundraising practice.

Reserves policy

FMLM continuously seeks to find and maintain new sources of income to further its activities and mitigate any risk of over-reliance on major income streams. The FMLM reserves policy is to hold on average half its annual expenditure in reserve to enable FMLM to weather a temporary significant decrease in income and/or wind up the charity in an orderly manner, in line with best practice guidance for charities.

The Charity, as at 31 March 2025, maintained unrestricted reserves of £112,538 and restricted reserves of £39,825. The amount of funds that can only be realised by disposing of tangible fixed assets amounted to £3,144. After making allowance for this, the free reserves of the Charity are £109,394.

The Trustees note that the current level of reserves is below the level detailed in the reserves policy. This is due to the difficult trading circumstances surrounding the Charity and the restructure occurring in the year. The Trustees have introduced cost cutting exercises and have a clear pipeline of income strategies including the return of events to rebuild reserves over the next 24 months.

FMLM Pay Policy

FMLM's pay policy is reviewed annual by the FMLM Board. It is designed to attract, retain and motivate individuals with the appropriate skills, experience, and leadership capability to deliver the organisation's strategic goals. FMLM's pay policy outlines how pay decisions are made and the key factors considered, including: benchmarking against relevant comparator organisations and sector norms; organisational performance, income, and financial forecasts; recruitment and retention trends; and staff performance.

Due to FMLM's fiscal climate, no general pay increase was applied between April 2024 and March 2025.

At 31 March 2025, two members of the FMLM staff received annual remuneration above £60,000 per annum.



Principal Risks and Uncertainties

Risk management is a standing item on the FMLM Board's agenda and is embedded within strategic and operational planning processes. In March 2025, the FMLM Board identified the following strategic risks which are now actively monitored and mitigated:

1. Membership growth and retention.

The risk of stagnation or attrition in membership could affect organisational sustainability and engagement. Mitigating actions include the recruitment of a dedicated marketing and communications team and the implementation of a wider digital transformation strategy.

2. Financial dependency on NHS income.

FMLM's significant reliance on income from NHS contracts presents a financial concentration risk. In mitigation, efforts are underway to diversify income sources.

3. Staffing capacity and organisational alignment.

There is a risk that a mismatch between staffing levels and the demands associated with organisational growth will adversely impact staff morale and programme delivery. In mitigation, a provisional 'Temporary Organisation' structure was approved to ensure better alignment of roles and capacity.

4. Service pricing and cost recovery.

Historical under-pricing of services has impacted financial sustainability. In mitigation, a programme of restructuring, revised pricing models, and strengthened financial oversight has been implemented to improve cost recovery and preserve reserves.



Future Strategy – Shaping the Next Chapter of Medical Leadership

As we look beyond 2024–25, FMLM stands at an important and exciting juncture. The challenges faced by healthcare systems are complex and persistent: from workforce pressures and digital transformation, to widening inequalities and the ongoing need to restore trust and morale across multidisciplinary teams. These realities demand a new era of leadership: one that is compassionate, empathic, evidence-based, and collaborative.

FMLM's charitable objects are unchanged, and our purpose remains clear: to inspire and support excellence in clinical leadership and management, so that patients receive the highest possible quality of care. To achieve this, our strategy for the coming years will focus on five key priorities:

1. Strengthening professional standards of clinical leadership and support for our membership

FMLM will continue to champion leadership as a core professional discipline. By updating FMLM's Leadership and Management Standards for Medical Professionals, we shall ensure these standards remain current, practical, and embedded across the healthcare system. We shall work with regulators, employers, and educational bodies to make leadership competence an integral part of career progression and appraisal. We shall prioritise better support for our Members and Fellows at every step of their leadership journeys.

2. Expanding leadership development and career support

FMLM will broaden access to high-quality leadership development for clinicians at all stages, from students to aspiring leaders to those already in executive roles. Through a broader and deeper blend of accredited programmes, coaching, mentoring, and peer networks, we shall nurture leaders who are confident, competent, compassionate, and capable of navigating complexity. FMLM will also enhance its career support offer, helping members align their leadership ambitions with the needs of their teams, organisations, systems and communities.

3. Deepening collaboration across the system

Collaboration remains central to our success. FMLM will strengthen partnerships with the NHS, Royal Colleges, managerial bodies, universities, and international medical leadership bodies, creating a unified voice for clinical leadership and management. These relationships will enable shared learning, amplify the impact of evidence-based leadership, and help shape national policy. FMLM will also better engage with patients, recognising that their experiences and insights must sit at the heart of leadership decision-making.



4. Investing in FMLM's organisational sustainability and digital transformation

To continue delivering value for our Members, Fellows and partners, FMLM will modernise its operations by investing in digital systems, data, and member engagement tools that improve accessibility and responsiveness. We shall strengthen our governance, diversify our income streams, and ensure that FMLM remains a financially sustainable, agile, and resilient organisation.

5. College of Executive and Clinical Leadership

FMLM's proposal for a multidisciplinary Leadership College received wide political support and featured in several NHS Provider Conference keynote speeches by the Secretary of State, and now in the 10 Year Health Plan for England. FMLM welcomes more steps to professionalise and standardise the quality of clinical leadership and management. The Secretary of State's continued commitment to the creation of a "College of Executive and Clinical Leadership" will help do that. It is important that time is taken to get this right. Wide stakeholder engagement should enable collaboration not competition. FMLM looks forward to continuing to work with the Department of Health and Social Care, the four NHS administrations, and existing professional bodies to inform the development of the proposed College.

Looking ahead with purpose

The next chapter for FMLM is about consolidation, growth and deepening our impact whilst remaining true to our founding principles and values. FMLM has earned its position as the professional home for medical leadership; now we must build on that foundation to ensure that every clinical leader can access the development, recognition, and support they need to lead and manage effectively.

We do so with confidence - because our community of Members, Fellows, and partners has consistently shown the vision, integrity, and collaboration that define great leadership. Together, we shall continue to champion a culture of leadership that drives improvement, inspires innovation, and above all, enhances patient care.



Statement of Responsibilities of the FMLM Trustees

The trustees (who are also directors of FMLM for the purposes of company law) are responsible for preparing the trustees' annual 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 trustees to prepare financial statements for each financial year which give a true and fair view of the affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 Statement of Recommended Practice (SORP); make judgements and estimates that are reasonable and prudent; state whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and prepare the financial statements on the basis of 'Going Concern' unless it is inappropriate to presume that the charity will continue to operate.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware. The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees on 31 March 2025 was five. The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.



Going Concern

Having reviewed FMLM's financial position, levels of cash and reserves, long-term projections, systems of financial control, processes to manage risk, and Senior Management Team's continued endeavours to deliver operational efficiencies, the trustees believe FMLM is well-placed to manage its business risks successfully. The trustees consider FMLM has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees consider that FMLM remains a "Going Concern".

Auditor

TC Derby Limited were appointed as the charitable company's auditor in 2024 and have expressed their willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 1 December 2025 and signed on their behalf by:

Dame Celia Ingham Clark

Dame Celia Ingham Clark

Interim Chair, Faculty of Medical Leadership and Management



Independent Auditor's Report

For the Period Ended 31st March 2025



Faculty of Medical Leadership and Management

Independent auditor's report

For the Period Ended 31 March 2025

Independent auditor's report to the members of Faculty of Medical Leadership and Management.

Opinion

We have audited the financial statements of Faculty of Medical Leadership and Management (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 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 group's and of the parent charitable company's affairs as at 31 March 2025 and of the group's 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.
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 group financial statements section of our report. We are independent of the group and parent charitable company 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 where:

- 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 group's or the parent charitable company'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.

Independent auditor's report

For the Period Ended 31 March 2025

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 Auditors report thereon.

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.

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 during 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 this 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' annual report, for the financial period for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors 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' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the Period Ended 31 March 2025

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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 group'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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, the control environment and business performance targets for incoming resources and surplus or deficit positions achieved.
- Results of our enquiries with management and Trustees about their own identification and assessment of risks and irregularities;
- Any other matters that we have identified having obtained and reviewed documentation of the groups' policies and procedures
- Identifying, evaluating and complying with relevant laws and regulations and whether management are aware of any instances of non-compliance. This includes but is not limited to non-compliance with General Data Protection Regulations and the Bribery Act 2010;
- Detecting and responding to the risks of fraud and whether management have knowledge of any actual,

Independent auditor's report

For the Period Ended 31 March 2025

alleged or suspected fraud occurring in the reporting period or to the date of the approval of these financial statements.

- The internal controls designed and implemented to mitigate the risks of fraud or non-compliance with laws and regulations.
- The audit engagement team held discussions to determine how and where the financial statements would be susceptible to misstatement and how to identify any indicators of fraud;
- As a result of the procedures undertaken, we have considered that the greatest opportunity and incentive for fraud to occur within the business is the ability of management to manipulate revenue recognition. This is in common with audit engagements conducted under ISAs (UK). In addition, we are required to perform specific procedures in response to the risks of management override.
- We have also reviewed the legal and regulatory framework in which the group operates. We have focused on the specific laws and regulations that directly impact the determination of key material balances or disclosures required within the financial statements. We have considered that the key laws applicable were: The Companies Act 2006, The charities Act 2011 and the Financial Reporting standard 102.
- We have also considered laws and regulations that do not have a direct impact on the financial statements but with which compliance is fundamental to group operations or are required to avoid material penalties. Some of the key areas identified in this regard were: The General data Protection Regulations, Health and Safety Policies, the Bribery Act 2010 and regulations imposed by the General Medical Council.

We developed appropriate procedures to respond to the risks identified prior. These procedures included:

- A review of the disclosures made within the financial statements and to ensure that sufficient testing was undertaken on supporting documentation to assess compliance with the provision of laws and regulations.
- Enquired of management and Trustees concerning the existence of any actual or potential litigation claims.
- Documenting and verifying all related party transactions and any balances due between such parties at the reporting period end.
- Perform analytical procedures to identify any unexpected relationships that could indicate material misstatements as a result of fraud
- To directly address the risks of misstatement through revenue recognition, we have tested a sample of revenue recorded in the period and agreed that the relevant documentation matched the recognition criteria. Additionally, we have ensured that revenue is complete via performing review of invoices and generating expectations for revenue. This was supported by discussions with management over the volatility of revenue in a given reporting period.
- To address the risks of a misstatement occurring as a result of management override of controls, we have tested the appropriateness of journal entries and adjustments made within the period. We have focused our testing on adjustments that considered large, were made by unexpected team members, entries of an unexpected or unusual value, quantity or description. Key accounting estimates were reviewed to determine whether any judgements, assumptions and calculations made by management are indicative of management bias. Finally, we have reviewed the rationale for any transactions that have been considered unusual or outside the normal activities of the group.
- We also communicated relevant identified laws, regulations and potential fraud risks to all engagement team members to ensure that we remain vigilant for any indicators of fraud or non-compliance and that a suitable level of professional scepticism was maintained throughout the audit engagement.

Independent auditor's report

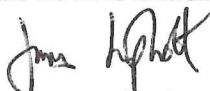
For the Period Ended 31 March 2025

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.



James Liptrott (Senior statutory auditor)
for and on behalf of TC Group (Statutory Auditors)
10 Stadium Business Court
Millennium Way, Pride Park
Derby, DE24 8HP

Date: 2/12/25

Faculty of Medical Leadership and Management

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the Period Ended 31 March 2025

	Note	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Income from:							
Donations and legacies	2	-	-	-	22,602	-	22,602
Charitable activities							
Professional body services	3	405,835	-	405,835	415,593	-	415,593
Development, education & training							
Services	3	299,540	-	299,540	330,006	-	330,006
FMLM events	3	(2,097)	-	(2,097)	213,811	-	213,811
Other trading activities	4	384,190	-	384,190	895,114	-	895,114
Investments		12,107	-	12,107	12,836	-	12,836
Total income		1,099,576	-	1,099,576	1,889,962	-	1,889,962
Expenditure on:							
Raising funds (including costs of trading)	5	388,384	-	388,384	811,904	-	811,904
Charitable activities							
Professional body services	5	424,667	-	424,667	657,839	-	657,839
Development, education & training							
Services	5	558,975	-	558,975	962,247	9,692	971,939
FMLM events	5	150,961	-	150,961	271,274	-	271,274
Total expenditure		1,552,987	-	1,552,987	2,703,264	9,692	2,712,956
Taxation	10	(28,455)	-	28,455	32,207	-	32,207
Net movement in funds and net income/(expenditure) for the year		(424,956)	(-)	(424,956)	(845,509)	(9,692)	(855,201)
Reconciliation of funds:							
Total funds brought forward		537,494	39,825	577,319	1,383,003	49,517	1,432,520
Total funds carried forward		112,538	39,825	152,363	537,494	39,825	577,319

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Faculty of Medical Leadership and Management

Balance sheet

Company no. 11390175

As at 31 March 2025

	Note	The group 2025 £	2024 £	The charity 2025 £	2024 £
Fixed assets:					
Tangible assets	11	3,144	10,949	3,144	10,949
Investment in subsidiary		–	–	1	1
		3,144	10,949	3,145	10,950
Current assets:					
Debtors	14	105,632	207,765	41,666	164,476
Cash at bank and in hand		546,850	1,039,016	490,897	771,568
		652,482	1,246,781	532,563	936,044
Liabilities:					
Creditors: amounts falling due within one year	15	(503,263)	(680,411)	(428,520)	(503,577)
Net current assets		149,219	566,370	(104,043)	432,467
Total net assets		152,363	577,319	(107,188)	443,416
Funds:	18				
Restricted income funds		39,825	39,825	39,825	39,825
Unrestricted income funds:					
General funds		112,538	537,494	67,363	403,591
Total unrestricted funds		112,538	537,494	67,363	403,591
Total funds		152,363	577,319	107,188	443,416

Approved by the trustees on 2nd December 2025 and signed on their behalf by

Dame Celia Ingham Clark

Dame Celia Ingham Clark
Trustee

Faculty of Medical Leadership and Management

Consolidated statement of cash flows

For the period ended 31 March 2025

	Note	2025		2024	
		£	£	£	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		(424,956)		(855,201)	
Depreciation charges		6,963		7,673	
Interest from investments		(12,107)		(12,836)	
(Increase)/decrease in debtors		130,588		601,069	
Increase/(decrease) in creditors		(177,148)		(191,156)	
Interest paid		654		7,362	
Tax charge		(28,455)		32,207	
Profit on disposal of tangible fixed assets		158		-	
Net cash provided by operating activities			(504,619)		(410,882)
Cash flows from investing activities:					
Interest from investments		12,107		12,836	
Purchase of fixed assets		-		(6,131)	
Proceeds from sale of tangible fixed assets		1,000		-	
Purchase of investments		-		-	
Net cash (used in) investing activities			13,107		6,705
Cash flows from financing activities:					
Interest paid		(654)		(7,362)	
Net cash (used in) financing activities			(654)		(7,362)
Change in cash and cash equivalents in the year					
			(492,166)		(411,539)
Cash and cash equivalents at the beginning of the year			1,039,016		1,450,555
Cash and cash equivalents at the end of the year			546,850		1,039,016

1 Accounting policies

a) Statutory information

Faculty of Medical Leadership and Management is a charitable company limited by guarantee and is incorporated in England. The registered office address is 167–169 Great Portland Street, 5th Floor, London, W1W 5PF.

b) Basis of preparation

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary FMLM Applied Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees, having reviewed FMLM's financial position and the level of cash and reserves, consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision, of a specified service, (including membership, development services, training, events and consultancy) is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

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.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Taxation

Taxation for the year comprises of current tax and is recognised in the statement of financial activities.

Current taxation assets and liabilities are not discounted.

Current taxation is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

1 Accounting policies (continued)**i) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the running commercial consultancy activity through FMLM Applied.
- Expenditure on charitable activities includes the costs of delivering services to our members undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

- Professional body services	27% (2024 – 27%)
- Development, education & training Services	41% (2024 – 39%)
- FMLM Events	12% (2024 – 14%)
- Raising funds (including costs of trading)	20% (2024 – 20%)

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Tangible fixed assets are initially recognised at cost. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings	3 years
- Leasehold improvements	3 years
- Computers	3 years

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pensions

The charitable company operates a defined contribution scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Donations	-	-	-	-	-	-
Grant income	-	-	-	22,602	-	22,602
Legacies	-	-	-	-	-	-
	-	-	-	22,602	-	22,602

3 Income from charitable activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Membership income	294,667	-	294,667	256,155	-	256,155
BMJ Leader journal	27,759	-	27,759	74,497	-	74,497
Fellowship	10,795	-	10,795	-	-	-
Revalidation and appraisal fees	72,614	-	72,614	84,941	-	84,941
Sub-total for Professional body services	405,835	-	405,835	415,593	-	415,593
National Medical Director Clinical Fellowship Scheme	267,714	-	267,714	283,593	-	283,593
Chief Dental Officer Clinical Fellowship Scheme	-	-	-	(40)	-	(40)
CPD and Accreditation	10,489	-	10,489	1,350	-	1,350
Other income from Development services	5,568	-	5,568	10,784	-	10,784
College Officers Programme	15,769	-	15,769	34,319	-	34,319
Sub-total for development, education & training services	299,540	-	299,540	330,006	-	330,006
Conference	(1,601)	-	(1,601)	132,875	-	132,875
Other events	(496)	-	(496)	80,936	-	80,936
Sub-total for FMLM events	(2,097)	-	(2,097)	213,811	-	213,811
Total income from charitable activities	703,278	-	703,278	959,410	-	959,410

4 Income from other trading activities

	Unrestricted £	Restricted £	2025 Total £	Unrestricted £	Restricted £	2024 Total £
Advertising and general income	25,441	-	25,441	8,465	-	8,465
Consultancy	358,749	-	358,749	886,649	-	886,649
	384,190	-	384,190	895,114	-	895,114

5a Analysis of expenditure (current year)

		Charitable activities						
	Raising funds (including costs of trading) £	Professional body services £	Development, education & training Services £	FMLM Events £	Governance costs £	Support costs £	2025 Total £	2024 Total £
Staff costs (Note 7)	131,853	178,001	270,298	79,112	27,469	228,911	915,644	1,405,823
Temporary staff costs	-	-	-	-	-	26,557	26,557	110,141
Other staff costs	-	-	-	-	-	32,321	32,321	88,263
Consultancy costs	136,869	-	-	-	-	-	136,869	294,237
Journal costs	-	45,000	-	-	-	-	45,000	45,259
Revalidation and appraisal costs	-	40,122	-	-	-	-	40,122	35,902
Clinical Fellowship Scheme costs	-	-	69,558	-	-	-	69,558	157,356
Development services costs	-	-	1,200	-	-	-	1,200	24,613
Education and training costs	-	-	2,611	-	-	-	2,611	23,849
Career development costs	-	-	-	-	-	-	-	-
Other events costs	-	-	-	52	-	-	52	129,626
Marketing	-	-	-	-	-	6,365	6,365	56,084
Rent and facilities charges	-	-	-	-	-	6,379	6,379	27,330
IT and office costs	-	-	-	-	-	82,596	82,596	139,085
Legal and professional fees	-	-	-	-	20,625	103,533	124,158	69,783
Travel and subsistence	-	-	-	-	-	17,069	17,069	26,849
Other costs	-	-	-	-	-	39,523	39,523	71,082
Depreciation	-	-	-	-	-	6,963	6,963	7,674
Bad debts written off	-	-	-	-	-	-	-	-
	268,722	263,123	343,667	79,164	48,094	550,217	1,552,987	2,712,956
Support costs	110,043	148,559	225,589	66,026	-	(550,217)	-	-
Governance costs	9,619	12,985	19,0719	5,771	(48,094)	-	-	-
Total expenditure 2025	388,384	424,667	588,975	150,961	-	-	1,552,987	2,712,956

Faculty of Medical Leadership and Management

Notes to the financial statements

For the period ended 31 March 2025

5b Analysis of expenditure (prior year)

	Charitable activities						
	Raising funds (including costs of trading) £	Professional body services £	Development , education & training Services £	FMLM Events £	Governance costs £	Support costs £	2024 Total £
Staff costs (Note 7)	321,546	311,916	272,648	115,403	39,658	344,652	1,405,823
Temporary staff costs	-	-	-	-	-	110,141	110,141
Other staff costs	-	-	-	-	-	88,263	88,263
Consultancy costs	294,237	-	-	-	-	-	294,237
Journal costs	-	45,259	-	-	-	-	45,259
Revalidation and appraisal costs	-	35,902	-	-	-	-	35,902
Clinical Fellowship Scheme costs	-	-	157,356	-	-	-	157,356
Development services costs	-	-	24,613	-	-	-	24,613
Education and training costs	-	-	23,849	-	-	-	23,849
Career development costs	-	-	-	-	-	-	-
Other events costs	-	-	111,039	18,587	-	-	129,626
Marketing	-	-	-	-	-	56,084	56,084
Rent and facilities charges	-	-	-	-	-	27,330	27,330
IT and office costs	-	-	-	-	-	139,085	139,085
Legal and professional fees	-	-	-	-	21,365	48,418	69,783
Travel and subsistence	-	-	-	-	-	26,849	26,849
Other costs	-	-	-	-	-	71,082	71,082
Depreciation	-	-	-	-	-	7,674	7,674
Bad Debts written off	-	-	-	-	-	-	-
	615,783	393,077	589,505	133,990	61,023	919,578	2,712,956
Support costs	183,916	248,286	358,635	128,741	-	(919,578)	-
Governance costs	12,205	16,476	23,799	8,543	(61,023)	-	-
Total expenditure 2024	811,904	657,839	971,939	271,274	-	-	2,712,956

Notes to the financial statements

For the period ended 31 March 2025

6 Net Income for the year

This is stated after charging / (crediting):

	2025 £	2024 £
Profit on disposal of tangible fixed assets	(158)	-
Depreciation	6,963	7,674
Interest payable	654	7,362
Operating lease rentals:		
Property	-	13,275
Other	-	-
Auditor's remuneration (excluding VAT):		
Audit	18,500	18,865
Other services	1,765	2,500

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2025 £	2024 £
Salaries and wages	811,607	1,228,310
Social security costs	70,752	126,412
Employer's contribution to defined contribution pension schemes	33,285	51,101
	915,644	1,405,823

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2025 No.	2024 No.
£60,000 – £69,999	-	1
£70,000 – £79,999	1	-
£80,000 – £89,999	-	2
£90,000 – £99,999	-	1
£100,000 – £109,999	-	1
£120,000 – £129,999	-	1
£160,000 – £169,999	1	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £289,222 (2024: £587,031).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2024: £nil). No charity trustee received payment for professional or other services supplied to the charity (2024: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totaling £360.30 (2024: £259.61) relating to attendance at meetings of the trustees.

8 Staff numbers

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2025 No.	2024 No.
Raising funds	4	4
Professional body services	2	2
Development, education & training services	4	4
FMLM events	4	4
Support	3	3
	<u>17</u>	<u>17</u>

9 Related party transactions

There are no related party transactions to disclose for 2025 (2024: none).

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.
The charity's trading subsidiary FMLM Applied Limited charge / (credit) to corporation tax in the period was:

	2025 £	2024 £
UK corporation tax at 25% (2024: 25%)	<u>(28,455)</u>	<u>32,207</u>

11 Tangible fixed assets

The group and charity

	Fixtures and fittings £	Leasehold improvements £	Computers £	Total £
Cost				
At the start of the year	1,560	58,057	24,868	84,485
Additions in year	-	-	-	-
Disposals in year	(1,560)	-	(2,331)	(3,891)
	<u>-</u>	<u>58,057</u>	<u>22,537</u>	<u>80,594</u>
At the end of the year				
Depreciation				
At the start of the year	1,560	58,057	13,919	73,536
Charge for the year	-	-	6,963	6,963
Eliminated on disposal	(1,560)	-	(1,489)	(3,049)
	<u>-</u>	<u>58,057</u>	<u>19,393</u>	<u>77,450</u>
At the end of the year				
Net book value				
At the end of the year	-	-	3,144	3,144
	<u>-</u>	<u>-</u>	<u>3,144</u>	<u>3,144</u>
At the start of the year	-	-	10,949	10,949
	<u>-</u>	<u>-</u>	<u>10,949</u>	<u>10,949</u>

Notes to the financial statements

For the period ended 31 March 2025

12 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of FMLM Applied Ltd, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. Richard Withnall is the sole director of the subsidiary. A summary of the results of the subsidiary is shown below:

	2025 £	2024 £
Turnover	358,749	886,649
Cost of sales	(136,869)	(305,616)
Gross profit	221,880	581,033
Administrative expenses	(339,063)	(414,924)
Profit / (loss) on ordinary activities before taxation	(117,183)	166,109
Tax paid	(28,455)	(32,207)
Profit / (loss) for the financial year	(88,728)	133,902
Retained earnings		
Total retained earnings brought forward	133,902	117,453
Profit / (loss) for the financial year	(88,728)	133,902
Distribution under Gift Aid to parent charity	-	(117,453)
Total retained earnings carried forward	45,714	133,902
The aggregate of the assets, liabilities and funds was:		
Assets	174,435	386,655
Liabilities	(129,260)	(252,752)
Funds	45,714	133,903

Amounts owed to/from the parent undertaking are shown in note 15.

13 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2025 £	2024 £
Gross income	849,389	1,002,222
Result for the year	(336,228)	(989,103)

14 Debtors

	The group		The charity	
	2025 £	2024 £	2025 £	2024 £
Trade debtors	63,699	189,060	28,188	145,771
Other debtors	13,478	18,075	13,478	18,075
Prepayments and accrued income	-	630	-	630
Taxation	28,455	-	-	-
	105,632	207,765	41,666	164,476

Faculty of Medical Leadership and Management

Notes to the financial statements

For the period ended 31 March 2025

15 Creditors: amounts falling due within one year

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Trade creditors	28,377	96,602	17,958	63,846
Amounts owed to subsidiary	-	-	54,517	75,918
Taxation and social security	47,580	139,947	28,922	33,052
Accruals	85,819	63,885	85,819	48,266
Deferred income (note 16)	329,089	372,950	228,906	275,468
Other creditors	12,398	7,027	12,398	7,027
	503,263	680,411	428,520	503,577

16 Deferred income

Deferred income comprises membership fees, development, education & training services fees and fees for consultancy work received in advance.

	The group		The charity	
	2025	2024	2025	2024
	£	£	£	£
Balance at the beginning of the year	372,950	542,376	275,468	57,209
Amount released to income in the year	(372,950)	(542,376)	(275,468)	(57,209)
Amount deferred in the year	329,089	372,950	228,906	275,468
Balance at the end of the year	329,089	372,950	228,906	275,468

17a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	3,144	-	-	3,144
Net current assets	109,394	-	39,825	149,219
Net assets at 31 March 2025	112,538	-	39,825	152,363

17b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	10,949	-	-	10,949
Net current assets	526,545	-	39,825	566,370
Net assets at 31 March 2024	537,494	-	39,825	577,319

Faculty of Medical Leadership and Management

Notes to the financial statements

For the period ended 31 March 2025

18a Movements in funds (current year)

	At 1 April 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2025 £
Restricted funds:					
Career Development for Medical Leaders	9,825	-	-	-	9,825
Career Development for UK doctors registered with the General Medical Council (Sir Neil Dougal Travel Fund)	30,000	-	-	-	30,000
Total restricted funds	39,825	-	-	-	39,825
Unrestricted funds:					
General funds	537,494	1,099,576	(1,524,532)	-	112,538
Total unrestricted funds	537,494	1,099,576	(1,524,532)	-	112,538
Total funds	577,319	1,099,576	(1,524,532)	-	152,363

18b Movements in funds (prior year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Expert Leadership Development Programme	3,692	-	(3,692)	-	-
Career Development for Medical Leaders	15,825	-	(6,000)	-	9,825
Career Development for UK doctors registered with the General Medical Council (Sir Neil Dougal Travel Fund)	30,000	-	-	-	30,000
Total restricted funds	49,517	-	(9,692)	-	39,825
Unrestricted funds:					
General funds	1,383,003	1,877,126	(2,722,635)	-	537,494
Total unrestricted funds	1,383,003	1,877,126	(2,722,635)	-	537,494
Total funds	1,432,520	1,877,126	(2,732,327)	-	577,319

18b Movements in funds (prior year continued)

Career Development for Medical Leaders

A grant provided by the Dinwoodie Charitable Company in respect of the delivery of an online learning platform for medical and management training for the medical profession. The aim of the project is to develop a fully interactive digital toolkit which will provide a comprehensive 'cradle to grave' career map with links to a broad collection of educational materials and advice for doctors to develop as medical leaders. In addition, it is intended that this resource will provide support to doctors having to meet the compulsory requirements of revalidation specifically with regard to the domain of leadership.

Career Development for UK doctors registered with the General Medical Council (Sir Neil Dougal Travel Fund)

A fund to be used for the enhancement of the management and leadership skills and abilities of individual UK doctors registered with the General Medical Council. To be used to increase the leadership and management experience, skills and abilities by gaining experience of the healthcare systems in nations or regions in which the individuals do not currently work.

Operating lease commitments

- 19 The charity and group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2025	2024	2025	2024
	£	£	£	£
Less than one year	-	-	-	-
One to five years	-	-	-	-
	-	-	-	-

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts



Faculty of
Medical Leadership
and **Management**

Company number: 11390175

Charity number: 1178741

Faculty of Medical Leadership and Management

Annual Report and Financial Statements

For the Period 1 January 2023 to 31

March 2024

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Faculty of Medical Leadership and Management

Reference and administrative information

For the year ended 31 March 2024

Company number 11390175

Charity number 1178741

Registered office and operational address 167-169 Great Portland St, 5th Floor, London, W1W 5PF

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees

Sir Professor Mayur Lakhani	Chair
Mr John Misselbrook	Finance & Business Trustee (resign. January 24)
Professor Philip Kloer	Ordinary Trustee
Mr Alastair Henderson	Ordinary Trustee
Ms Nargis Ara-Ranaldi	Lay Trustee
Mr Mark Spragg	Lay Trustee
Mr David Bennett	Lay Trustee
Mr Tom Grinyer	Board Advisor

Trustees appointed after 31 March 2024 but prior to the date of this report

Professor William Robert Roche (appointed 13 December 2024)
Professor Jacky Hayden (appointed 13 December 2024)
Dr Colin Randolph Melville (appointed 13 December 2024)
Dr Margaret Ngozi Ikpoh (appointed 13 December 2024)
Celia Louise Ingham Clark (appointed 13 December 2024)

Senior Leadership	Professor Rich Withnall	Chief Executive Officer (CEO) (joined April 23)
	Dr Paul Evans	Medical Director/Acting CEO (Nov 22 to April 23)
	Ms Kirsten Armit	Director of Research
	Dr Daljit Hothi	Director of FMLM Applied Ltd & Leadership Dev.
	Ms Yasmin Ali	Chief Operating Officer and secretary

Bankers

Charities Aid Foundation Bank (CAF Bank Limited)
25 Kings Hill Avenue,
Kings Hill, West Malling,
Kent, ME19 4JQ

NatWest
250 Bishopsgate
London, EC2M 4AA

Faculty of Medical Leadership and Management

Reference and administrative information

For the year ended 31 March 2024

Solicitors	Bates Wells Braithwaite 10 Queen Street Place, London, EC4R 1BE
Auditor	Haines Watts Chartered Accountants and Statutory Auditor, 10-11 Stadium Business Court, Pride Park, Derby, DE24 8HP

Chair's Foreword

This will be my final Annual Report as FMLM Chair. As I write this, I am filled with pride and gratitude for FMLM's achievements during my term, particularly the progress we have made in the last year in the face of significant challenges, especially in the aftermath of the pandemic.

2023 marked 12 years since FMLM's inception and five years as an independent charity, a significant milestone that underscores our growth and development. This year saw FMLM make significant strides and changes to deliver on core aims whilst laying a robust foundation for the future. From inspiring leadership at all career stages to driving initiatives like our Clinical Fellowship Schemes and the College Office Bearers' Development Programme, we've reinforced our commitment to professionalising medical leadership.

In a milestone, in December 2023, Mr Scott Baker, an Allied Health Professional, was the first-ever recipient of the [FMLM Collaborative Fellowship](#); the faculty's first Fellowship for non-doctors and dentists who wish to accredit their healthcare leadership and management experience.

FMLM has accredited over 40 high-quality leadership programs, including a groundbreaking initiative with Sheffield Health and Social Care Trust. FMLM Applied Ltd delivered bespoke leadership programmes, including collaborations with Aqua (Australia) and Health Education East.

Events like the annual Keogh Lecture, delivered by Prof. Sir Chris Whitty, and our Annual Conference in Manchester, underscored the vibrancy of our community. The Keogh Lecture and the Empowering Student Leadership in Healthcare (ESLIH) conference emphasised collaboration and education, promoting a leadership culture across all medical career stages. Our research efforts included publishing content to showcase the findings of a project that investigated what works in leadership development and assessment for postgraduate doctors in training, hosting podcasts, and our co-owned journal, BMJ Leader, continued to develop and provide members with insights.

As we continue our journey toward Chartered Status, our ambition to evolve into a college is developing, with support and engagement from stakeholders, cross-party political backing and a clear vision for expanding leadership standards across healthcare. Highlights include Wes Streeting MP's announcement of Labour's intent to create a College of Clinical Leadership and FMLM's key role in shaping the forthcoming NHS Management and Leadership Framework.

Undoubtedly, 2023/2024 has marked a year of change, and we have faced some stern challenges. In March 2023, we let our office rental contract expire, empowering our staff to mostly work from home. By reducing our carbon footprint, we are playing our part in the achievement of the aims of the UK Health Alliance on Climate Change, of which we hope to become a member of in spring 2024. In early 2024 unexpected financial pressures required a comprehensive review of services and staffing. The trustees had to make a decision to move to a new temporary organisational structure to ensure long-term sustainability.

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These decisions were difficult but essential, preparing FMLM for a brighter, more impactful future. I thank our Chief Executive Officer, Professor Rich Withnall, for his continuing work and leadership through this challenging period. He has maintained our values-based ethos while steering FMLM toward a forward-looking future.

My deepest gratitude goes to our staff—past and present, the Board, associates, and members—without whom FMLM would not stand as the UK's professional home of clinical leadership. Our work has already significantly impacted the healthcare sector, and we are dedicated to continuing this mission. Together, we're shaping a promising future, and I invite all our members and stakeholders to engage actively with FMLM's mission to champion clinical leadership excellence.

Sincerely,



Professor Sir Mayur Lakhani CBE

Chair of the Board of FMLM

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Chief Executive Officer's Introduction

As a Senior Founding Fellow of FMLM, I was thrilled to take up the post of CEO in April 2023. I am grateful for the support, kindness and warm welcome shown to me by the leadership team, staff, and FMLM's membership during this period of transition.

Last year, we said a fond farewell and thank you to Mr Peter Lees as he retired from the FMLM charity and FMLM Applied Limited (our commercial trading arm). We shall remain true to Peter's vision and, as part of his legacy, FMLM shall remain a values-based organisation.

Good healthcare leadership has never been more important as the NHS continues to face a multitude of challenges. FMLM's work to professionalise medical leadership has been significant, but healthcare is now delivered by multidisciplinary teams, organisations and systems. Hence, whilst continuing to support doctors and dentists, it is now appropriate and timely that FMLM considers how it can also better support other NHS clinical leaders and managers through collaboration, not competition.

Why FMLM reorganisation was necessary

Despite solid foundations, in reviewing the business, it became apparent that prior forecasting had been adversely impacted by Covid. To re-establish FMLM's firm financial footing, protect charitable reserves, and ensure the business remains a long-term "going concern", the FMLM Board directed a full review of all staff and services. After careful investigation, consideration and consultation, the Board approved a new structure to streamline our operations, align them with our strategic priorities, and improve our efficiency. This new 'Temporary Organisation' will see investment in FMLM's commercial development, marketing, communications, membership and programmes. We have contracted class-leading organisations to support our accountancy, financial growth, and appraisal and revalidation services.

In addition to the Covid-related fiscal challenges, FMLM identified several factors necessitating a structural and strategic reorganization:

1. *Evolving healthcare demands:* The growing complexity of healthcare, technological advancements, and the transition toward integrated care models highlighted the need for individuals competent and confident to lead systems.
2. *Leadership gaps:* Research has consistently shown a strong correlation between effective leadership and better patient outcomes. However, a lack of consistent leadership training across the healthcare sector has created gaps in strategic decision-making and operational efficiency.
3. *Workforce challenges:* Burnout, recruitment, and retention issues among healthcare professionals underscored the need for leaders who could create supportive, inclusive, and resilient workplace cultures.
4. *Focus on Patient-Centred Care:* The need to avoid 'accidental leaders' and develop patient-centred leaders who can balance clinical expertise with organizational acumen, ensuring seamless care delivery and improved outcomes.
5. *Interdisciplinary collaboration:* FMLM recognised the need to break silos within healthcare leadership by

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fostering greater collaboration between clinicians, administrators, and other healthcare professionals.

FMLM remains dedicated to developing excellence in healthcare leadership. FMLM's reorganisation has strengthened its role in promoting leadership that directly impacts patient care outcomes. By better aligning its structure and initiatives with modern healthcare needs, FMLM aims to equip doctors, dentists and other healthcare professionals with the competence and confidence necessary to lead effectively and foster innovation.

How FMLM reorganised

To address these challenges and enhance its impact, FMLM implemented a comprehensive reorganisation focusing on the following strategies:

1. *Redefining Its Vision and Mission:* FMLM refined its core objectives to emphasise leadership development as a cornerstone for improving patient care. This updated mission places equal weight on the professional growth of healthcare leaders and measurable improvements in healthcare outcomes.
2. *Expanding membership offerings:* FMLM diversified its membership base to include a broader range of healthcare professionals, from students to senior executives, nationally and internationally. This inclusivity encourages interdisciplinary learning and collaboration while nurturing leadership at all career stages.
3. *Introducing targeted leadership development programs:* FMLM developed a suite of new training programs tailored to specific clinical leadership needs, including societal responsibilities including equity, diversity, inclusion, belonging and sustainability. These programs focus on building both technical and interpersonal skills required for modern healthcare leadership.
4. *Improved support across the four nations:* To improve FMLM's pan-UK leadership support, FMLM met with the four UK Chief Medical Officers, securing a statement confirming that all support clinicians gaining management and leadership skills.
5. *Strengthening digital presence:* Leveraging technology, FMLM started redesigning its website and wider online presence. This shift enables members to better access resources, connect with peers, and engage in leadership training regardless of location.

Outcomes of the Reorganisation

FMLM's reorganisation has already begun to yield tangible benefits:

1. *Improved access to leadership training:* A broader and more accessible range of programs ensures that more healthcare professionals can develop the skills necessary for effective leadership. As a result, the number of FMLM members and fellows is growing. In March 2024, we were delighted to host a fantastically successful FMLM Annual Conference in Manchester. It was wonderful to meet so many FMLM Members and Fellows in person alongside an impressive array of keynote speakers that included the Chair of the Health and Social Care Committee and several members of the NHS England Board. Feedback was overwhelmingly positive. We are already looking forward to our next FMLM conference in 2025.

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2. *Enhanced collaboration:* Interdisciplinary training and networking opportunities foster stronger relationships between clinical and administrative leaders, improving decision-making and patient outcomes. FMLM's Clinical Fellowship Schemes (CFS) are going from strength to strength. We were delighted that Professor Sir Chris Whitty delivered the annual Keogh Lecture to help celebrate the graduation of the CFS class of 2022/23. We were delighted to welcome back CFS alumni to form the inaugural cohort of our new Senior Clinical Fellowship scheme.

3. *Increased focus on patient outcomes:* By emphasising leadership's role in patient care, FMLM has helped its members implement changes that directly benefit patients, such as enhancing care coordination. In mid 2024, we commenced work with NHS England, as part of a consortium, to deliver a new multi-disciplinary NHS Management and Leadership Framework, Code and Standards which will provide clear expectations of managers and leaders working across the service – a hugely significant development for the health service and FMLM.

4. *National and international recognition:* FMLM has solidified its position as a thought leader in healthcare leadership, influencing policy discussions and attracting partnerships with other healthcare organizations nationally and internationally. The FMLM College Office Bearers' Development Programme continues to help those appointed to the most senior leadership roles across the UK's professional bodies to further develop their skills and build vital cross-specialty networks. We have delivered invited presentations in national fora including the GMC Symposium 23 and the Westminster Health Forum, and had a letter published in The Times about how good leadership can improve NHS cultures. FMLM now has seats on NHS England's Management and Leadership Advisory Group and Medical Advisory Group. FMLM has also been approached to provide keynote presentations and workshops to overseas healthcare systems in Brazil, the United Arab Emirates, Kuwait and the Kingdom of Saudi Arabia.

5. *Development towards College status:* FMLM is now on a journey to become a College through Privy Council application. Following our briefing notes, on 15 Nov 23 at the NHS Providers Conference, Wes Streeting MP announced Labour's intention to create a 'College of Clinical Leadership'. Work towards Chartered Status is progressing well. We have secured broad stakeholder support and cross-party political backing from the Health and Social Care Select Committee and look forward to providing oral evidence to their NHS Leadership, Performance and Patient Safety Inquiry. The new College would remain a membership organisation to support its members and fellows. It would not become a regulator.

Conclusion

Overall, 2023 has been a year of change and adaptation, but one that has seen us begin to lay the groundwork for practical and positive development. I remain truly grateful for the work, professionalism, and dedication of all the FMLM staff since our inception in 2011. Nevertheless, if we are to achieve our potential, the time has come to change and modernise. Leadership involves making difficult decisions, and I am grateful to the Board for their support and backing in making these testing but necessary changes.

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FMLM's reorganisation reflects our commitment to transforming healthcare leadership to improve patient care. By expanding our membership, refining our programs, and fostering new national and international collaborations, we can better equip healthcare leaders with the tools needed to address modern challenges. This transformation ensures that FMLM will continue to play a pivotal role in driving excellence and innovation across the healthcare sector as we develop towards a College application. FMLM welcomes more steps to professionalise and standardise the quality of clinical leadership and management. The political announcement of the creation of a College will help do that. It is important that time is taken to get this right. Wide stakeholder engagement should enable collaboration not competition. FMLM looks forward to continuing to work with the Department of Health and Social Care, the four NHS administrations, and existing professional bodies to inform the development of the new College.

Finally, I want to pay tribute to our outgoing Chair, Professor Sir Mayur Lakhani, whose direction, guidance, wisdom, backing and trust, have been invaluable. I firmly believe that these changes will prepare FMLM for a brighter future and stand as a fitting legacy to Sir Mayur's two terms as FMLM Chair. They will provide greater value to our members, whilst continuing to fulfil our vision of championing, influencing and developing excellence in clinical leadership to drive continuous improvement in health and healthcare.

In closing, my sincere thanks go to the whole hard-working FMLM team which extends beyond my 'headquarters' colleagues to our network of class-leading Associates and, of course, to you as our community of members, fellows, and senior fellows – without whom, FMLM would not be the UK's professional home of clinical leadership.



Professor Rich Withnall
Chief Executive Officer

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The trustees present their report and the audited financial statements for the financial period ended 31 March 2024. This is a change from previous reports, which covered calendar years. This report aligns FMLM with others in the sector who report financial statements covering the financial year, including the NHS.

Reference and administrative information set out on page 1 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims:

The objects of FMLM are:

- a) for the public benefit, to advance education and knowledge in the field of medical leadership and management and promote research in all aspects of the subject and to publish the useful results; and
- b) for the public benefit, to advance health through setting the highest professional standards and competences for medical leadership, management and quality improvement, the main activities undertaken in relation to those purposes.

FMLM meets these charitable objects and achieves public benefit through a range of activities including the following:

- Set the standards for medical leadership and award fellowships against these standards.
- Provide membership services including access to the latest research in medical leadership and management, mentoring and online development opportunities, such as webinars.
- Contribute to the research base for medical leadership and management.
- Annual international and national conferences to promote best evidence-based best practice.

Mission statement

FMLM will work to establish its role as the professional home for medical leadership* and promote excellence in leadership on behalf of all doctors in public health, mental health, primary and secondary care, from medical student to medical director and chief executive, and for all UK healthcare providers and healthcare related organisations in all sectors.

(*dental leadership is encompassed in the term medical leadership)

Vision and core values

'To champion, influence and develop excellence in medical leadership to drive continuous improvement in health and healthcare.'

FMLM works to professionalise clinical leadership by setting and benchmarking against standards that are

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aligned with the General Medical Council's Good Medical Practice and underpinned by the research evidence linking leadership to quality of care and patient outcomes.

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Activity

The year to 31 March 2024 was FMLM's fifth as a registered charity. The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved in the reporting period. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

FMLM's main activities include:

- Establishing and maintaining professional standards of leadership; assessing individuals against these standards; awarding fellowship (at three levels of seniority) to doctors and dentists who have demonstrated that they meet the standards.
- Developing and supporting a membership of doctors and dentists at all career stages (including students); providing educational and training resources and leadership development opportunities including conferences, educational events and programmes.
- Promoting, disseminating and contributing to the research evidence about leadership and leadership development in healthcare.
- Supporting individuals, teams and organisations to improve their medical leadership, through interventions which include leadership development programmes, (psychometric) diagnostic tests, mentoring and coaching.
- Acting as a designated body for revalidation, according to The Medical Profession (Responsible Officers) (Amendment) Regulations 2013. The regulations make specific provisions that FMLM act as Designated Body for the National Medical Director (and their deputies) of NHS England, of which it duly undertakes.

FMLM's leadership development programmes include the College Office Bearers' programme, which helps experienced doctors hone their skills in preparation for a senior leadership role in one of the medical royal colleges, including the role of College President.

FMLM Applied Ltd

FMLM Applied Ltd provides tailored leadership development programmes for organisations and is a wholly owned trading arm of the charity. During 2023/24 it operated with a separate board of directors, including at least one FMLM Trustee, and reported to the FMLM Board of Trustees.

In 2023, FMLM Applied Ltd continued to work towards achieving its strategic objectives of:

1. Strengthen business development capacity by expanding and developing relationships with current and new associates, and seeking partnerships with expert organisations.
2. Diversify the client base within the NHS, deepening relationships and building relationships with clients in other sectors, to meet the needs of healthcare leaders.

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3. Evaluate programmes and impact through a research-based approach to enhance learning and create a compelling evidence base.

FMLM also occasionally receives income from advertising and event or conference sponsorships.

Achievements and performance

Professionalising medical leadership

FMLM directs a major part of its work to improve patient care at the NHS and its medical workforce across the UK, and continues to engage with NHS England and NHS Improvement, the General Medical Council, the Academy of Medical Royal Colleges, as well as individual medical royal colleges and faculties.

The year 2023 marked 12 years since FMLM's inception as a professional body and five years since it was established as an independent charity. Underpinning all of FMLM's work are the FMLM Leadership and Management Standards for Medical Professionals. The third edition builds on the individual competencies outlined in earlier editions and how they should be applied to the development of networks and more integrated patient care, as well as the health and well-being of local, regional and national populations.

In 2023 a brighter spotlight shone on leadership within the NHS, with events and reports making clear the need for greater investment and standardisation of training. In November, the Shadow Health and Social Care Secretary announced that should Labour win power, they would create a College of Clinical Leadership. The Faculty has had a longstanding aim of attaining Chartered status, and this welcome announcement was one of many signals of support from a growing list of wider stakeholders.

FMLM will continue to engage with bodies and organisations across the four nations and the political spectrum to build support for a College, which would set recognised standards for managers and leaders across healthcare in the UK. Engagement efforts so far include FMLM CEO, Professor Rich Withnall, presenting at the Westminster Health Forum in November 2023, and meetings with the Chief Medical Officers from all four UK countries in February 2024.

Accreditation and affiliation

The FMLM team continued to award FMLM Accreditation to courses and programmes that met FMLM requirements on quality and adhered to the FMLM Leadership and Management Standards for Medical Professionals. More than 40 programmes, courses and medical school curricula now carry the FMLM marque to indicate high-quality medical leadership teaching.

FMLM also offers Affiliate status to organisations that adopt the FMLM Standards and ensure the leadership and management component of their medical appraisal is fit for purpose. In addition, the organisations have benefited from their affiliation with the professional home for medical leadership through discounts on other FMLM services, including FMLM Applied Ltd work and FMLM Accreditation.

In 2023, Sheffield Health and Social Care Trust (SHSC) became the first mental health trust to receive FMLM Affiliated status, reflecting its focus on leadership development. The initiative, led by Helen Crimlisk and supported by the FMLM, incorporated leadership standards into appraisals, training, and CPD sessions. Efforts targeted all levels of staff, including bespoke sessions for SAS psychiatrists and leadership

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opportunities for trainees. SHSC fostered a culture of leadership through multidisciplinary initiatives, improved access to development opportunities, and regular leadership discussions. This comprehensive approach has transformed the organisation's culture, equipping it to face future challenges with optimism.

FMLM was also proud to partner with Northern Lincolnshire and Goole NHS Foundation Trust (NLGFT), who were awarded CPD accreditation for their outstanding bespoke leadership development programme for new consultants and SAS doctors. FMLM Applied Ltd worked closely with the Trust to design and deliver this programme, which will enable these doctors to take up their posts more effectively, support wellbeing and resilience and drive effective collaboration in improving and delivering patient services.

University College London's Health Professions Education (HPE) MSc was accredited after meeting FMLM's Leadership and Management Standards for Medical Professionals in the domains of Self, Team Leader, Organisational Responsibility and Systems Leadership. The programme equips clinicians from all professional backgrounds to deliver the highest standards of education, and is designed to identify and develop leaders moving into strategic leadership roles.

The Next Step Programme is an eleven-month immersive development experience accredited by FMLM and run in partnership with the Kings Business School, for Leadership and Management Fellows from across the East of England. The course equips Fellows with the tools and confidence to thrive as leaders and managers within a complex environment. They then use this expertise to act as leaders, sharing leadership and management insights with other trainees and healthcare professionals from within their organisations. 73 participants took the programme which ran from September 2023 to June 2024.

Membership and Fellowship

Membership at the end of 2024 numbered 2,352 individual members (a 8.4% decrease from 2022), including:

- Post-CCT - 42.6%
- Trainees - 33.9%
- Students - 9.9%
- Fellows - 10.1%
- Non-medical associates - 1.6%
- International - 1.0%
- Retired medical - 0.5%

482 new members joined in the year, made up predominantly of post-CCT and trainees. So, while overall figures were down, the recruitment pipeline is very active.

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The full breakdown of membership is as follows:

- Qualified - 1047
- Trainee - 739
- Student - 227
- Associate - 25
- Retired - 13
- International - 26
- Associate Fellow - 66
- Collaborative Fellow - 11
- International Fellow - 2
- Fellow - 93
- Senior Fellow - 96
- Honorary – 7

FMLM Applied Ltd

In 2023 FMLM Applied Ltd worked with a widening range of clinicians including Medical Directors, Clinical Directors, Clinical Leads, Consultants, Chief Residents, and Trainees. Programmes ranged from one-day workshops to programmes delivered over 6-9 months that developed leadership and management skills through multiple workshops, coaching, and insight such as psychometric profiling.

Programmes are routinely delivered through a blend of interactive, online and in-person delivery for a growing base of NHS and private sector customers, FMLM Applied Ltd continue to work collaboratively in partnership. Guidance from an FMLM-initiated steering group of ICS Chief Medical Officers (CMOs) enabled the development programme for ICS CMOs to roll out during 2023 as planned.

FMLM Applied Ltd partnered with leading improvement agency, Aqua, aiming to work with leaders at team, organisation and system levels to improve their leadership and improvement capabilities through individual intervention, team development, and organisational and system excellence.

Work was also undertaken with Health Education East (HEE) Wessex, developing their Chief Residents programme to equip those preparing for leadership in their consultant roles.

FMLM Research

In 2023, FMLM completed a project to investigate what works in leadership development and assessment for postgraduate doctors in training. The Dinwoodie Charitable Company funded this project, and a suite of content was published on the FMLM website to showcase the findings and work. This included the production of eight podcasts on leadership, which grew a small but loyal fanbase, with over 1,600 downloads.

FMLM continued to work with BMJ as joint owner of the online scientific journal, BMJ Leader. Now in its sixth year, BMJ Leader is available to all FMLM members as part of their membership, offering leadership and management insights via research outputs, reports, commentaries and articles.

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FMLM remains part of a World Healthcare Leadership Network, established by colleagues in Canada, with a view to sharing and collaborating on research (and other activities) with international peers.

Leadership development

Highlights include the ninth cohort of the FMLM College Office Bearer's Leadership Development Programme, which attracted 11 participants from a range of medical Royal Colleges and Faculties. The programme recognises the importance of leadership for colleges to fulfil their increasingly complex agendas.

In its 13th year, FMLM's Clinical Fellow Scheme (CFS) portfolio continued to successfully develop the potential of a new cohort of Fellows throughout 2023.

Clinical Fellows from England, Wales and Northern Ireland were brought together as one multi-profession group for a 12-month leadership development programme, delivered in person and virtually. The comprehensive CFS development programme supports leadership learning, with a range of content to develop leaders to understand; how healthcare is organised, politics and policymaking, leadership styles, leading through uncertainty, team dynamics, and sustainable healthcare.

FMLM continued to reinvest income generated through growth across all schemes.

Events

FMLM supported BMJ Leader Live, a one-day conference in London in February 2023, which explored leadership behaviours to improve practice and establish meaningful connections with like-minded professionals.

Postponed in 2023, due to the growing pressures on colleagues within the NHS and affiliated organisations (industrial action) and within society as a whole (cost of living), the FMLM Conference took place at the end of March 2024 in Manchester. Over 400 delegates attended over the two days, with feedback overwhelmingly positive, particularly around content, with many noting the variety of sessions and speakers available. Eight out of 10 delegates gave the Conference four stars or higher.

FMLM held its first CFS Alumni Symposium, a tribute to clinical leadership, on 27 March 2023 at The University of Manchester. The symposium was exclusively open to all CFS Alumni and existing CFS Fellows.

Also in March 2023, FMLM organised an interactive webinar to mark International Women's Day, at which established female healthcare leaders spoke about what FMLM Fellowship means to them and their career, and discussed the challenges of leadership careers for women.

FMLM's fifth annual Keogh Lecture took place in London on 12 July 2023. Delivered by England's Chief Medical Officer (CMO), Professor Sir Chris Whitty, the lecture explored the trends that will affect the nation's health and the healthcare landscape over the coming decades.

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In July 2023, FMLM hosted international colleagues from its Australian partner, the Royal Australasian College of Medical Administrators (RACMA), to exchange learnings, ideas and research for the betterment of both organisations.

Networks

FMLM is proud to support and grateful for the work of its committees and networks. The Medical Student Steering Group (MSG) and Trainee Steering Group (TSG) continue to develop and provide value, and FMLM continues to be a strategic partner of TEDx NHS, providing basic finance services. TSG's 'how to' guides continued to be some of FMLM's most engaged with resources.

Empowering Student Leadership in Healthcare (ESLIH) is led by FMLM clinical fellows, alumni, and students, to inspire, empower and celebrate the next generation of student leaders in healthcare. In September 2023, ESLIH hosted its now annual Conference in Manchester, with FMLM CEO Professor Rich Withnall giving the keynote address. A wide range of professions attended the conference from a range of backgrounds, with a mixture of UK and international delegates, including a significant number that identified as widening participation students. Evaluation has demonstrated the positive impact of the event on undergraduate leadership development and explores attitudes and motivation around leadership amongst a diverse student population.

Change of address

In 2023, FMLM chose not to renew its office premises lease at the Royal College of Anaesthetists to save costs. The office in Red Lion Square, London, was vacated on 31 March, with staff working from home on a near full-time basis. For operational purposes, the team has hired temporary office space whenever required. FMLM's new registered address is 167-169 Great Portland Street, 5th Floor, London, W1W 5PF.

Beneficiaries of our services

The ultimate intended beneficiaries of FMLM's activities are patients, who benefit from better and safer care through better medical leadership. However, direct impact is difficult to measure.

The immediate beneficiaries of FMLM's services and activities are its membership, which mostly comprises doctors at all career stages from medical student to Medical Director and Chief executive. At 31 March 2024, FMLM had 2,352 members who had access to benefits including mentoring, the latest research in medical leadership through FMLM's jointly owned scientific journal, BMJ Leader, and access to a range of activities including conferences, webinars, and interest groups (such as medical students and trainee steering groups).

Financial review

During 2023-24, FMLM Income declined by 23% compared to the previous financial year; £1,890,000 was achieved over 15 months whereas £1,971,000 was achieved over 12 months in 2022. Expenditure was £2,713,000 over 15 months in 2023-24 which was an increase of 10% in comparison to 2022 when it was £1,928,000 over 12 months. Overall, the year-end position for the FMLM Group was a deficit of £855,000 (2022: £44,000 surplus).

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The deficit year-end position was identified in early 2024 and resulted in an organisational-wide restructure (streamlining of staff and services) in the financial year 2024-25. The deficit was due to a combination of the following factors:

- Lack of forecasted income achieved within professional services, leadership development, and FMLM Applied Ltd despite continued operating costs across the organisation e.g. research.
- The pay budget was 66% of the overall projected income with roles not aligned to return on investment.

At the end of the financial year to March 2024, unrestricted funds carried forward totalled £537,500. The FMLM Group also had a strong cash position, with cash totalling £1,039,000 at the end of the financial year under review. The strong reserves position provided a high level of assurance that the charity can mitigate the risks that it might face as a result of any changes in the internal or external environment.

Statement on fundraising

FMLM does not engage in public fundraising and does not use professional fundraisers or commercial participators. FMLM nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and FMLM received no complaints relating to its fundraising practice.

Principal risks and uncertainties

FMLM has reviewed and updated the key strategic risks identified as 31 March 2024 for the charity and FMLM Applied Ltd. These are summarised below:

- There is an opportunity for FMLM to grow into a College, which would enable significant growth and development via Chartered Status. Progress with this opportunity has accelerated with the commitment to a College of Clinical Leadership, within the Labour Party manifesto, with comments from the Secretary of State indicating that this would be created out of FMLM. Risks include a different government deprioritising or refocusing, the College being created out of a direct competitor, and unpredictable external events changing priorities for healthcare in general. Except for external events, these risks are being mitigated by the engagement of senior stakeholders across the NHS and political spectrum, including a presentation to the Health and Social Care Select Committee by FMLM's CEO.
- There is a risk of underperformance with membership and fellowship engagement and growth. While FMLM membership numbers remain steady, there has been minimal growth of new members in 2023, with attrition negating new memberships. Action to mitigate this risk has been taken, with the recruitment of a Head of Marketing and Communications, and Marcomms Officer. This action will also mitigate the reputational threat posed by a very dated website and CRM. Its overhaul and development is a key workstream for both the Head of Marcomms and the Membership and Operations Manager in 2024.
- FMLM has had a steady reliance on the NHS for income and business opportunities, which represents a single point of failure if no other sustainable income streams are developed and

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delivered. Steps are being taken to mitigate this risk, by diversifying income from different sectors, enabled by the recruitment of a Commercial Director.

- There is an imbalance in staffing and capacity, with workloads and demand for growth, which poses a risk to morale, commitment and business development. Action to mitigate this is underway with the Board approving a new 'Temporary Organisation', to better align roles with strategic priorities and targets.
- Having reviewed services, it has been identified that in some cases the cost of delivery is not in line with the fees being charged, leading to insufficient contributions to overheads. This has resulted in a failure to achieve full cost recovery, leading to budget deficits and use of reserves to carry on day-to-day operations. In addition to restructuring to help mitigate the short-term financial impact, the Leadership Team has adjusted service fees to reflect the real cost, agreed new KPIs, and committed to continuous performance monitoring and regular cost analysis/price review.

Reserves policy

FMLM's activities, together with the factors likely to affect its future development, performance and financial position, are set out on pages 9 to 16. The financial position of FMLM, its cash flows, liquidity position pages 29 to 31.

FMLM continuously seeks to find and maintain new sources of income to further its activities and also mitigate any risk of over-reliance on major income streams. The FMLM reserves policy is to hold on average half its annual expenditure in reserve to enable FMLM to weather a temporary significant decrease in income and/or wind up the charity in an orderly manner, in line with best practice guidance for charities.

The FMLM reserves at 31 March 2024 were £577,319.

Going concern

The trustees having reviewed FMLM's financial position, the level of cash and reserves, together with the long-term projections, the systems of financial control and risk management in place, management's continued endeavours to deliver operational efficiencies, they believe FMLM is well-placed to manage its business risks successfully. The trustees consider FMLM has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Trading subsidiary

FMLM's wholly owned trading subsidiary FMLM Applied Ltd's net profit for the year ended 31 March 2024 of £133,902 was due to be gifted to the charity in 2024/2025. The principal activities of the company are providing high-quality clinical leadership development aimed at enhancing clinical leadership and engagement to improve patient care, creating and providing bespoke support programmes for individuals, teams and organisations.

The trading results and balance sheet of the subsidiary extracted from its accounts are set out in note 12 to the financial statements. Structure, governance and management the Trustees of FMLM delegated day-to-

Trustees' annual report

For the Period Ended 31 March 2024

day running of the charity to the Senior Leadership Team (SLT): Professor Rich Withnall, Chief Executive Officer (CEO) (joined April 2023) Dr Paul Evans, Medical Director/Acting CEO (Nov 22 to April 23) Ms Kirsten Armit, Director of Research, Dr Daljit Hothi, Director of FMLM Applied Ltd and Leadership Development, Ms Yasmin Ali, Chief Operating Officer.

The trading results and balance sheet of the subsidiary extracted from its accounts are set out in note 12 to the financial statements.

Structure, governance and management

The Trustees of FMLM delegated day-to-day running of the charity to the Senior Leadership Team (SLT):

Professor Rich Withnall, Chief Executive Officer (CEO) (joined April 2023)
Dr Paul Evans, Medical Director/Acting CEO (Nov 22 to April 23)
Ms Kirsten Armit, Director of Research
Dr Daljit Hothi, Director of FMLM Applied Ltd and Leadership Development
Ms Yasmin Ali, Chief Operating Officer

Trustees make decisions on the strategic direction of the charity, with a written strategy reviewed at least every five years. The overall purpose of FMLM remains consistent and to deliver its vision, in 2023 the main areas of focus continued to be:

1. The professionalisation of medical leadership.
2. Improvement of the quality of leadership through evidence-based research.
3. Leadership development.

Financial decision-making and assessment of risks are first reviewed by the Finance, Audit and Risk (FAR) Committee, a sub-committee of the Board of Trustees. The FAR committee makes recommendations to the board on budget setting, staff remuneration, investment strategy, reserves policy and risk management. In 2023 the FAR committee was chaired by Lay Trustee, Mrs Nargis Ara-Ranaldi and members were Mr John Misselbrook, Finance & Business Trustee (resigned January 2024) Lay Trustees Mr Dave Bennett and Mr Mark Spragg, with the Senior Leadership Team in attendance.

The organisation is a charitable company limited by guarantee, incorporated on 31 May 2018 and registered as a charity on 12 June 2018.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. FMLM commenced a review of its Articles of Association and created Standing Orders in 2022 to reflect the evolving needs of the organisation. The Board agreed that the Articles should be amended to ensure the FMLM has a fit-for purpose document that is future-proofed and enables the recently agreed enhancements to the governance structures.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Trustees' annual report

For the Period Ended 31 March 2024

Remuneration policy for key management personnel

In line with charity best practice, the FMLM Remuneration Committee is responsible for setting the pay for roles at the executive director level of organisation. The Remuneration Committee consists of FMLM Chair Professor Sir Mayur Lakhani, Lay Trustee Mrs Nargis Ara-Ranaldi, and Finance & Business Trustee, Mr John Misselbrook.

While the Remuneration Committee is not responsible for setting the pay of individual staff members below the executive level, it may take a view in liaising with the Finance, Audit and Risk Committee on guidance to the Board on pay rates and annual pay rises at the aggregate level.

Setting the FMLM pay policy

The FMLM pay policy aims to attract and retain staff of the appropriate calibre and experience to lead FMLM. The pay policy sets out how pay is determined and what factors have been taken into account, these include:

- any comparators against which the pay of senior staff is benchmarked
- how FMLM's income, performance and forecasts will affect pay settlements
- FMLM's track record in recruitment, retention and performance of senior staff.

The pay policy is reviewed annually, taking into account past and projected performance.

All staff received an annual pay rise of 5% in December 2023.

At the end of 2024, FMLM had six members of staff who earned more than £60,000 a year; pro rata for four part time staff.

Appointment of trustees

FMLM Trustees are appointed as follows:

Chair – nominated and voted in by eligible members of FMLM

Lay Trustees – open competitive recruitment (advert and interviews)

Ordinary Trustees – appointed by the FMLM Board of Trustees

Treasurer/Finance and Business Trustee – open competitive recruitment (advert and interviews)

Co-opted Trustees – appointed by the Board of Trustees

These appointment processes were reviewed in 2024/25 to ensure best practice.

In addition to the main Board of Trustees, the FMLM governance structure in 2023/24 included

- FMLM Applied Ltd Board
- Revalidation and Appraisal Advisory Committee (RAAC)
- Standards Certification and Award Committee (SCAC)
- Accreditation Committee

Trustee induction and training

Trustees' annual report

For the Period Ended 31 March 2024

Every FMLM Trustee receives an induction pack with information about the charity's governing document, key business areas and personnel, strategic plan, annual business plan and budget, committee structure and reporting lines. Trustees are also invited to meet staff from each business area to build an understanding of the work of the charity and how it meets its charitable aims through its support to members and wider activity.

Trustees receive information about their responsibilities as charity trustees and company directors, including copies of 'The essential trustee: what you need to know, what you need to do' and 'It's your decision: charity trustees and decision making', essential guides from the Charities Commission.

Trustees are supported by the Board Secretary, a role which was performed by the Chief Operating Officer in 2023. Any election and recruitment processes required in 2024/25 will be overseen by specific members of the Board.

Related parties and relationships with other organisations

FMLM Applied Ltd is a wholly owned subsidiary of FMLM the charity. It is a company limited by shares and its only shareholder is FMLM. FMLM Applied Ltd principally delivers leadership development programmes to organisations to help develop their medical leaders to improve patient care and safety. It delivers the programmes through a network of medical and non-medical leadership development professionals and was run on a day-to-day basis by the Director of FMLM Applied Ltd and Leadership Development and Chief Executive Officer. The FMLM Applied Ltd Board was chaired by Stephen Brooks, who previously sat on the FMLM Board as a Lay Trustee. Other members of the FMLM Applied Ltd Board in 2023/24 were:

Professor Rich Withnall, Chief Executive Officer.

Mr Peter Lees, Director of Business Development (and former CEO) (resigned June 2023).

Dr Iain Wallace, former FMLM Chair of the FMLM Board.

Ms Kirsten Armit, FMLM Director of Research.

Mr Jamie Ward, Independent of FMLM, with significant leadership development experience.

Mr Dave Bennett, Lay Trustee.

Ms Nargis Ara-Ranaldi, Lay Trustee and Chair of the Finance, Audit and Risk Committee.

Dr Daljit Hothi, Director of FMLM Applied Ltd and Leadership Development

Ms Yasmin Ali, Secretary to the Board of Trustees.

Ms Sophie McGhee, Secretary to the FMLM Applied Ltd Board.

100% of the profits from FMLM Applied Ltd are gift-aided to FMLM the charity.

Funds held as custodian trustee on behalf of others

Founded in 2016 by two NHS clinicians, TEDxNHS is the world's largest TEDx event license holder – representing the 1.5 million people who work across health and social care. Organised by the NHS for the NHS, TEDxNHS operates on a fully not-for-profit basis, with a multidisciplinary team of volunteers, made up of NHS staff from across the UK.

TEDx NHS is a movement and does not have a corporate body or finance function, so is unable to receive income or pay invoices. In 2023, FMLM continued to be a strategic partner of TEDx NHS provides basic finance services and holds funds for TEDx NHS to enable each annual event to run. Typical financial

Trustees' annual report

For the Period Ended 31 March 2024

transactions include hire fees for the event venue and ticket receipts from attendees. FMLM does not charge a fee for its services but is recognised as a strategic partner in all event marketing, aiming to provide another 'opportunity to see' the FMLM brand and drive membership growth.

Through FMLM's role as an incorporated body and in support of work led by National Clinical Fellows, FMLM provides financial handling services to the Empowering Student Leadership in Healthcare (ESLIH). This includes receiving and holding ESLIH funds, issuing invoices on behalf of ESLIH and paying invoices owed by ESLIH. These funds are kept separate from FMLM's accounts as they do not form part of FMLM's income, expenditure or funds. FMLM benefits from contributing to and being associated with ESLIH as a supporting partner.

Plans for the future

In 2023, Professor Rich Withnall was appointed as FMLM CEO and laid out a new set of strategic objectives that build towards the professionalisation of medical leadership – for the ultimate benefit of patients – via collaboration rather than competition.

The vision is for FMLM to become the UK's most influential healthcare leadership organisation by April 2030. To achieve this, FMLM's mission is to develop a winning culture so that we can: achieve Chartered Status as a qualification-awarding, cross-specialty healthcare leadership organisation; grow our membership to 5,000 by April 2026 and 10,000 by April 2030; and increase our turnover to £5 million by April 2026 and £10 million by April 2030. These targets are deliverable but require FMLM to be more visible, bold, and ambitious. They are also subject to external forces, not least the policies of any incoming government in 2024, and as such will be reviewed regularly.

FMLM's values remain underpinned by quality, patient-centredness and mutual support. Commitments to equality, diversity, inclusivity and belonging (EDI&B), sustainability and ethical investment are golden threads that run through how the organisation operates.

Its operational priorities over the next few years are to:

- improve organisational design,
- optimise outputs,
- grow FMLM

The organisational structure is not an end in itself though; it is simply a vehicle for accomplishing our strategic ambitions. As such, the team remain agile and utilise matrix working practices in its efforts to prioritise what matters to members, sure-up our finances (with a view to future investment), and continuously improve what – and how – we deliver. The recommendations of a review of FMLM's organisational structure were approved by the Board in March 2024.

In 2023 a brighter spotlight shone on leadership within the NHS, with events and reports making clear the need for greater investment and standardisation of training. In November, the Shadow Health and Social Care Secretary announced that should Labour win power, they would create a College of Clinical Leadership. The Faculty has had a longstanding aim of attaining Chartered status, and this welcome announcement was one of many signals of support from a growing list of wider stakeholders. FMLM will

Trustees' annual report

For the Period Ended 31 March 2024

continue to engage with bodies and organisations across the four nations, and the political spectrum to build support for a College, which would set recognised standards for managers and leaders across healthcare in the UK.

Statement of responsibilities of the trustees

The trustees (who are also directors of Faculty of Medical Leadership and Management for the purposes of company law) are responsible for preparing the trustees' annual 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2024 was 11 (2022: 11). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Trustees' annual report

For the Period Ended 31 March 2024

Auditor

Haines Watts were appointed as the charitable company's auditor in 2024 and have expressed their willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 17 December 2024 and signed on their behalf by:



Nargis Ara-Ranaldi

Chair of Finance, Audit and Risk Committee

Lay Trustee

Independent auditor's report to the members of Faculty of Medical Leadership and Management

Opinion

We have audited the financial statements of Faculty of Medical Leadership and Management (the 'parent charitable company') and its subsidiaries (the 'group') for the fifteen-month period ended 31 March 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 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 group's and of the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the fifteen-month period then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 group financial statements section of our report. We are independent of the group and parent charitable company 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 where:

- 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

Independent auditor's report

For the Period Ended 31 March 2024

cast significant doubt about the group's or the parent charitable company'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 Auditors report thereon.

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.

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 during 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 this 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' annual report, for the financial period for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors 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'

Independent auditor's report

For the Period Ended 31 March 2024

annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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 group'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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, the control environment and business performance targets for incoming resources and surplus or deficit positions achieved;
- Results of our enquiries with management and Trustees about their own identification and assessment of risks and irregularities;
- Any other matters that we have identified having obtained and reviewed documentation of the groups' policies and procedures;
- Identifying, evaluating and complying with relevant laws and regulations and whether management are aware of any instances of non-compliance. This includes but is not limited to non-compliance with

Independent auditor's report

For the Period Ended 31 March 2024

General Data Protection Regulations and the Bribery Act 2010;

- Detecting and responding to the risks of fraud and whether management has knowledge of any actual, alleged or suspected fraud occurring in the reporting period or to the date of the approval of these financial statements;
- The internal controls designed and implemented to mitigate the risks of fraud or non-compliance with laws and regulations;
- The audit engagement team held discussions to determine how and where the financial statements would be susceptible to misstatement and how to identify any indicators of fraud;
- As a result of the procedures undertaken, we have considered that the greatest opportunity and incentive for fraud to occur within the business is the ability of management to manipulate revenue recognition. This is in common with audit engagements conducted under ISAs (UK). In addition, we are required to perform specific procedures in response to the risks of management override.
- We have also reviewed the legal and regulatory framework in which the group operates. We have focused on the specific laws and regulations that directly impact the determination of key material balances or disclosures required within the financial statements. We have considered that the key laws applicable were: The Companies Act 2006, The Charities Act 2011 and the Financial Reporting Standard 102.
- We have also considered laws and regulations that do not have a direct impact on the financial statements but with which compliance is fundamental to group operations or are required to avoid material penalties. Some of the key areas identified in this regard were: The General Data Protection Regulations, Health and Safety Policies, the Bribery Act 2010 and regulations imposed by the General Medical Council.

We developed appropriate procedures to respond to the risks identified prior. These procedures included:

- A review of the disclosures made within the financial statements and to ensure that sufficient testing was undertaken on supporting documentation to assess compliance with the provision of laws and regulations.
- Enquired of management and Trustees concerning the existence of any actual or potential litigation claims.
- Documenting and verifying all related party transactions and any balances due between such parties at the reporting period end.
- Perform analytical procedures to identify any unexpected relationships that could indicate material misstatements as a result of fraud.
- To directly address the risks of misstatement through revenue recognition, we have tested a sample of revenue recorded in the period and agreed that the relevant documentation matched the recognition criteria. Additionally, we have ensured that revenue is complete via performing a review of invoices and generating expectations for revenue. This was supported by discussions with management over the volatility of revenue in a given reporting period.
- To address the risks of a misstatement occurring as a result of management override of controls, we have tested the appropriateness of journal entries and adjustments made within the period. We have focused our testing on adjustments that were considered large, were made by unexpected team members, entries of an unexpected or unusual value, quantity or description. Key accounting estimates were reviewed to determine whether any judgements, assumptions and calculations made by management are indicative of management bias. Finally, we have reviewed the rationale for any transactions that have been considered unusual or outside the normal activities of the group.
- We also communicated relevant identified laws, regulations and potential fraud risks to all

Independent auditor's report

For the Period Ended 31 March 2024

engagement team members to ensure that we remain vigilant for any indicators of fraud or non-compliance and that a suitable level of professional scepticism was maintained throughout the audit engagement.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. 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.

James Liptrott (Senior statutory auditor)
for and on behalf of Haines Watts East Midlands (Statutory Auditors)
10 Stadium Business Court
Millennium Way, Pride Park
Derby, DE24 8HP

Date:

Faculty of Medical Leadership and Management

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the Period Ended 31 March 2024

	Note	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2022 Total £
Income from:							
Donations and legacies	2	22,602	–	22,602	38	33,643	33,681
Charitable activities							
Professional body services	3	415,593	–	415,593	427,062	–	427,062
Development, education & training							
Services	3	330,006	–	330,006	845,219	–	845,219
FMLM events	3	213,811	–	213,811	61,237	–	61,237
Other trading activities	4	895,114	–	895,114	602,651	–	602,651
Investments		12,836	–	12,836	1,528	–	1,528
Total income		1,889,962	–	1,889,962	1,937,735	33,643	1,971,378
Expenditure on:							
Raising funds (including costs of trading)	5	811,904	–	811,904	569,841	–	569,841
Charitable activities							
Professional body services	5	657,839	–	657,839	480,768	–	480,768
Development, education & training							
Services	5	962,247	9,692	971,939	651,204	28,500	679,704
FMLM events	5	271,274	–	271,274	197,354	–	197,354
Total expenditure		2,703,264	9,692	2,712,956	1,899,167	28,500	1,927,667
Taxation	10	32,207	–	32,207	–	–	–
Net movement in funds and net income/(expenditure) for the year		(845,509)	(9,692)	(855,201)	38,568	5,143	43,711
Reconciliation of funds:							
Total funds brought forward		1,383,003	49,517	1,432,520	1,344,435	44,374	1,388,809
Total funds carried forward		537,494	39,825	577,319	1,383,003	49,517	1,432,520

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Faculty of Medical Leadership and Management

Balance sheet

Company no. 11390175

As at 31 March 2024

	Note	The group 2024 £	2022 £	The charity 2024 £	2022 £
Fixed assets:					
Tangible assets	11	10,949	12,491	10,949	12,491
Investment in subsidiary		–	–	1	1
		10,949	12,491	10,950	12,492
Current assets:					
Debtors	14	207,765	808,834	164,476	530,243
Cash at bank and in hand		1,039,016	1,450,555	771,568	1,223,331
		1,246,781	2,259,389	936,044	1,753,574
Liabilities:					
Creditors: amounts falling due within one year	15	(680,411)	(839,360)	(503,577)	(450,999)
Net current assets		566,370	1,420,029	432,467	1,302,575
Total net assets		577,319	1,432,520	443,416	1,315,067
Funds:	18				
Restricted income funds		39,825	49,517	39,825	49,517
Unrestricted income funds:					
General funds		537,494	1,383,003	403,591	1,265,550
Total unrestricted funds		537,494	1,383,003	403,591	1,265,550
Total funds		577,319	1,432,520	443,416	1,315,067

Approved by the trustees on 20/12/20 and signed on their behalf by



Nargis Ara-Ranaldi
Trustee

Faculty of Medical Leadership and Management

Consolidated statement of cash flows

For the period ended 31 March 2024

	Note	2024		2022	
		£	£	£	£
Cash flows from operating activities					
Net income for the reporting period		(855,201)		43,711	
(as per the statement of financial activities)					
Depreciation charges		7,673		6,246	
Interest from investments		(12,836)		(1,528)	
(Increase)/decrease in debtors		601,069		(38,796)	
Increase/(decrease) in creditors		(191,156)		16,708	
Interest paid		7,362		-	
Tax charge		32,207		-	
Net cash provided by operating activities			(410,882)		26,341
Cash flows from investing activities:					
Interest from investments		12,836		1,528	
Purchase of fixed assets		(6,131)		(18,737)	
Proceeds from sale of investments		-		-	
Purchase of investments		-		-	
Net cash (used in) investing activities			6,705		(17,209)
Cash flows from financing activities:					
Interest paid		(7,362)		-	
Net cash (used in) investing activities			(7,362)		-
Change in cash and cash equivalents in the year					
			(411,539)		9,132
Cash and cash equivalents at the beginning of the year			1,450,555		1,441,423
Cash and cash equivalents at the end of the year			1,039,016		1,450,555

1 Accounting policies

a) Statutory information

Faculty of Medical Leadership and Management is a charitable company limited by guarantee and is incorporated in England. The registered office address is 167–169 Great Portland Street, 5th Floor, London, W1W 5PF.

b) Basis of preparation

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary FMLM Applied Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees, having reviewed FMLM's financial position and the level of cash and reserves, consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision, of a specified service, (including membership, development services, training, events and consultancy) is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

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.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Taxation

Taxation for the year comprises of current tax and is recognised in the statement of financial activities.

Current taxation assets and liabilities are not discounted.

Current taxation is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

1 Accounting policies (continued)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the running commercial consultancy activity through FMLM Applied Ltd.
- Expenditure on charitable activities includes the costs of delivering services to our members undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

- Professional body services	27%
- Development, education & training Services	39%
- FMLM Events	14%
- Raising funds (including costs of trading)	20%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Tangible fixed assets are initially recognised at cost. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- Fixtures and fittings	3 years
- Leasehold improvements	3 years
- Computers	3 years

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

o) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

p) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Pensions

The charitable company operates a defined contribution scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2022 Total £
Donations	-	-	-	38	-	38
Grant income	22,602	-	22,602	-	33,643	33,643
Legacies	-	-	-	-	-	-
	<u>22,602</u>	<u>-</u>	<u>22,602</u>	<u>38</u>	<u>33,643</u>	<u>33,681</u>

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2022 Total £
Membership income	256,155	-	256,155	335,078	-	335,078
BMJ Leader journal	74,497	-	74,497	19,119	-	19,119
Fellowship	-	-	-	9,157	-	9,157
Revalidation and appraisal fees	84,941	-	84,941	63,708	-	63,708
	<u>415,593</u>	<u>-</u>	<u>415,593</u>	<u>427,062</u>	<u>-</u>	<u>427,062</u>
Sub-total for Professional body services						
National Medical Director Clinical Fellowship Scheme	283,593	-	283,593	211,665	-	211,665
Chief Pharmaceutical Officer Clinical Fellowship Scheme	-	-	-	69,093	-	69,093
Chief Dental Officer Clinical Fellowship Scheme	(40)	-	(40)	25,493	-	25,493
Chief Nursing Officer's Clinical Fellowship Scheme	-	-	-	10,300	-	10,300
Chief Sustainability Officer's Clinical Fellowship Scheme	-	-	-	61,800	-	61,800
Regional Clinical Fellowship Scheme	-	-	-	322,151	-	322,151
Clinical Fellowship Scheme Alumni	-	-	-	16,483	-	16,483
Chief Scientific Officer's Clinical Fellowship Scheme	-	-	-	-	-	-
CPD and Accreditation	1,350	-	1,350	15,371	-	15,371
Other income from Development services	10,784	-	10,784	9,794	-	9,794
College Council Members Programme Income	-	-	-	1,950	-	1,950
Coaching Skills Workshop Income	-	-	-	-	-	-
College Officers Programme	34,319	-	34,319	46,275	-	46,275
Wales Clinical Fellowship Scheme	-	-	-	20,979	-	20,979
Northern Ireland Clinical Fellows Scheme	-	-	-	9,700	-	9,700
Royal College of Physicians/Faculty of Medical Leadership and Management events	-	-	-	24,165	-	24,165
	<u>330,006</u>	<u>-</u>	<u>330,006</u>	<u>845,219</u>	<u>-</u>	<u>845,219</u>
Sub-total for development, education & training services						
Conference	132,875	-	132,875	44,446	-	44,446
Other events	80,936	-	80,936	16,791	-	16,791
	<u>213,811</u>	<u>-</u>	<u>213,811</u>	<u>61,237</u>	<u>-</u>	<u>61,237</u>
Sub-total for FMLM events						
Total income from charitable activities	<u>959,410</u>	<u>-</u>	<u>959,410</u>	<u>1,333,518</u>	<u>-</u>	<u>1,333,518</u>

4 Income from other trading activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2022 Total £
Advertising and general income	8,465	-	8,465	1,282	-	1,282
Consultancy	886,649	-	886,649	601,369	-	601,369
	<u>895,114</u>	<u>-</u>	<u>895,114</u>	<u>602,651</u>	<u>-</u>	<u>602,651</u>

Notes to the financial statements

For the period ended 31 March 2024

5a Analysis of expenditure (current year)

	Raising funds (including costs of trading) £	Charitable activities				Support costs £	2024 Total £	2022 Total £
		Professional body services £	Development, education & training Services £	FMLM Events £	Governance costs £			
Staff costs (Note 7)	321,546	311,916	272,648	115,403	39,658	344,652	1,405,823	819,844
Temporary staff costs	-	-	-	-	-	110,141	110,141	140,661
Other staff costs	-	-	-	-	-	88,263	88,263	89,048
Consultancy costs	294,237	-	-	-	-	-	294,237	230,690
Journal costs	-	45,259	-	-	-	-	45,259	51,693
Revalidation and appraisal costs	-	35,902	-	-	-	-	35,902	40,442
Clinical Fellowship Scheme costs	-	-	157,356	-	-	-	157,356	153,507
Development services costs	-	-	24,613	-	-	-	24,613	39,721
Education and training costs	-	-	23,849	-	-	-	23,849	17,773
Career development costs	-	-	-	-	-	-	-	-
Other events costs	-	-	111,039	18,587	-	-	129,626	30,226
Marketing	-	-	-	-	-	56,084	56,084	18,536
Rent and facilities charges	-	-	-	-	-	27,330	27,330	79,341
IT and office costs	-	-	-	-	-	139,085	139,085	93,345
Legal and professional fees	-	-	-	-	21,365	48,418	69,783	68,653
Travel and subsistence	-	-	-	-	-	26,849	26,849	13,013
Other costs	-	-	-	-	-	71,082	71,082	24,511
Depreciation	-	-	-	-	-	7,674	7,674	6,246
Bad debts written off	-	-	-	-	-	-	-	10,417
	615,783	393,077	589,505	133,990	61,023	919,578	2,712,956	1,927,667
Support costs	183,916	248,286	358,635	128,741	-	(919,578)	-	-
Governance costs	12,205	16,476	23,799	8,543	(61,023)	-	-	-
Total expenditure 2024	811,904	657,839	971,939	271,274	-	-	2,712,956	1,927,667

Faculty of Medical Leadership and Management

Notes to the financial statements

For the period ended 31 March 2024

5b Analysis of expenditure (prior year)

	Raising funds (including costs of trading) £	Charitable activities				Support costs £	2022 Total £
		Professional body services £	Development , education & training Services £	FMLM Events £	Governance costs £		
Staff costs (Note 7)	182,180	176,723	154,475	65,384	22,469	218,613	819,844
Temporary staff costs	-	-	-	-	-	140,661	140,661
Other staff costs	-	-	-	-	-	89,048	89,048
Consultancy costs	230,690	-	-	-	-	-	230,690
Journal costs	-	51,693	-	-	-	-	51,693
Revalidation and appraisal costs	-	40,442	-	-	-	-	40,442
Clinical Fellowship Scheme costs	-	-	153,507	-	-	-	153,507
Development services costs	-	-	39,721	-	-	-	39,721
Education and training costs	-	-	17,773	-	-	-	17,773
Career development costs	-	-	-	-	-	-	-
Other events costs	-	-	8,136	22,090	-	-	30,226
Marketing	-	-	-	-	-	18,536	18,536
Rent and facilities charges	-	-	-	-	-	79,341	79,341
IT and office costs	-	-	-	-	-	93,345	93,345
Legal and professional fees	-	-	-	-	9,950	58,703	68,653
Travel and subsistence	-	-	-	-	-	13,013	13,013
Other costs	-	-	-	-	-	24,511	24,511
Depreciation	-	-	-	-	-	6,246	6,246
Bad Debts written off	-	-	-	-	-	10,417	10,417
	412,870	268,858	373,612	87,474	32,419	752,434	1,927,667
Support costs	150,487	203,157	293,449	105,341	-	(752,434)	-
Governance costs	6,484	8,753	12,643	4,539	(32,419)	-	-
Total expenditure 2022	569,841	480,768	679,704	197,354	-	-	1,927,667

Notes to the financial statements

For the period ended 31 March 2024

6 Net income for the year

This is stated after charging / (crediting):

	2024 £	2022 £
Depreciation	7,674	6,246
Interest payable	7,362	-
Operating lease rentals:		
Property	13,275	79,341
Other	-	-
Auditor's remuneration (excluding VAT):		
Audit	18,865	9,950
Other services	2,500	2,300

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £	2022 £
Salaries and wages	1,228,310	696,968
Social security costs	126,412	83,771
Employer's contribution to defined contribution pension schemes	51,101	39,105
	1,405,823	819,844

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 No.	2022 No.
£60,000 – £69,999	1	-
£70,000 – £79,999	-	2
£80,000 – £89,999	2	-
£90,000 – £99,999	1	-
£100,000 – £109,999	1	-
£120,000 – £129,999	1	1
£130,000 – £139,999	-	-

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £587,031 (2022: £399,090).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2022: £nil). No charity trustee received payment for professional or other services supplied to the charity (2022: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totaling £259.61 (2022: £nil) incurred by nil members (2022: nil) relating to attendance at meetings of the trustees.

8 Staff numbers

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2024 No.	2022 No.
Raising funds	4	4
Professional body services	2	2
Development, education & training services	4	4
FMLM events	4	3
Support	3	5
	17	18

9 Related party transactions

There are no related party transactions to disclose for 2024 (2022: none).

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.
The charity's trading subsidiary FMLM Applied Limited charge to corporation tax in the period was:

	2024 £	2022 £
UK corporation tax at 25% (2022: 19%)	32,207	–

11 Tangible fixed assets

The group and charity

	Fixtures and fittings £	Leasehold improvements £	Computers £	Total £
Cost				
At the start of the year	1,560	58,057	18,737	78,354
Additions in year	–	–	6,131	6,131
At the end of the year	1,560	58,057	24,868	84,485
Depreciation				
At the start of the year	1,560	58,057	6,246	65,863
Charge for the year	–	–	7,673	7,673
At the end of the year	1,560	58,057	13,919	73,536
Net book value				
At the end of the year	–	–	10,949	10,949
At the start of the year	–	–	12,491	12,491

12 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of FMLM Applied Ltd, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. Kirsten Armit and Jenny Ehrhardt are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2024 £	2022 £
Turnover	886,949	601,640
Cost of sales	(305,616)	(228,204)
Gross profit	581,033	373,436
Administrative expenses	(414,924)	(255,983)
Profit / (loss) on ordinary activities before taxation	166,109	117,453
Tax paid	(32,207)	-
Profit / (loss) for the financial year	133,902	117,453
Retained earnings		
Total retained earnings brought forward	117,453	54,897
Profit / (loss) for the financial year	133,902	117,453
Distribution under Gift Aid to parent charity	(117,453)	(54,897)
Total retained earnings carried forward	133,902	117,453
The aggregate of the assets, liabilities and funds was:		
Assets	386,655	699,314
Liabilities	(252,752)	(581,860)
Funds	133,903	117,454

Amounts owed to/from the parent undertaking are shown in note 15.

13 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2024 £	2022 £
Gross income	1,002,222	1,665,434
Result for the year	(989,103)	18,846

14 Debtors

	The group		The charity	
	2024 £	2022 £	2024 £	2022 £
Trade debtors	189,060	683,715	145,771	420,762
Other debtors	18,075	91	18,075	91
Prepayments and accrued income	630	125,028	630	630
	207,765	808,834	164,476	530,243

15 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2022	2024	2022
	£	£	£	£
Trade creditors	96,602	171,015	63,846	103,757
Amounts owed to subsidiary	–	–	75,918	193,499
Taxation and social security	139,947	87,109	33,052	57,674
Accruals	63,885	37,860	48,266	37,860
Deferred income (note 16)	372,950	542,376	275,468	57,209
Other creditors	7,027	1,000	7,027	1,000
	680,411	839,360	503,577	450,999

16 Deferred income

Deferred income comprises membership fees, development, education & training services fees and fees for consultancy work received in advance.

	The group		The charity	
	2024	2022	2024	2022
	£	£	£	£
Balance at the beginning of the year	542,376	592,938	57,2019	52,879
Amount released to income in the year	(542,376)	(592,938)	(57,209)	(52,879)
Amount deferred in the year	372,950	542,376	275,468	57,209
	372,950	542,376	275,468	57,209

17a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	10,949	–	–	10,949
Net current assets	526,545	–	39,825	566,370
	537,494	–	39,825	577,319

17b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	12,491	–	–	12,491
Net current assets	1,370,512	–	49,517	1,420,029
	1,383,003	–	49,517	1,432,520

Faculty of Medical Leadership and Management

Notes to the financial statements

For the period ended 31 March 2024

18a Movements in funds (current year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2024 £
Restricted funds:					
Expert Leadership Development Programme	3,692	–	(3,692)	–	–
Career Development for Medical Leaders	15,825	–	(6,000)	–	9,825
Career Development for UK doctors registered with the General Medical Council (Sir Neil Dougal Travel Fund)	30,000	–	–	–	30,000
Total restricted funds	49,517	–	(9,692)	–	39,825
Unrestricted funds:					
General funds	1,383,003	1,877,126	(2,722,635)	–	537,494
Total unrestricted funds	1,383,003	1,877,126	(2,722,635)	–	537,494
Total funds	1,432,520	1,877,126	(2,722,635)	–	577,319

18b Movements in funds (prior year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Expert Leadership Development Programme	(7,251)	33,643	(22,700)	–	3,692
Career Development for Medical Leaders	21,625	–	(5,800)	–	15,825
Career Development for UK doctors registered with the General Medical Council (Sir Neil Dougal Travel Fund)	30,000	–	–	–	30,000
Total restricted funds	44,374	33,643	(28,500)	–	49,517
Unrestricted funds:					
General funds	1,344,435	1,937,735	(1,899,167)	–	1,383,003
Total unrestricted funds	1,344,435	1,937,735	(1,899,167)	–	1,383,003
Total funds	1,388,809	1,971,378	(1,927,667)	–	1,432,520

18b Movements in funds (prior year continued)

Career Development for Medical Leaders

A grant provided by the Dinwoodie Charitable Company in respect of the delivery of an online learning platform for medical

and management training for the medical profession. The aim of the project is to develop a fully interactive digital toolkit which will provide a comprehensive 'cradle to grave' career map with links to a broad collection of educational materials and advice for doctors to develop as medical leaders. In addition, it is intended that this resource will provide support to doctors having to meet the compulsory requirements of revalidation specifically with regard to the domain of leadership.

Career Development for UK doctors registered with the General Medical Council (Sir Neil Dougal Travel Fund)

A fund to be used for the enhancement of the management and leadership skills and abilities of individual UK doctors registered with the General Medical Council. To be used to increase the leadership and management experience, skills and abilities by gaining experience of the healthcare systems in nations or regions in which the individuals do not currently work.

19 Operating lease commitments

The charity and group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2024	2022	2024	2022
	£	£	£	£
Less than one year	-	13,275	-	-
One to five years	-	-	-	-
	-	13,275	-	-

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

FMLM 2023-24 Annual Review Accounts - Draft 3

Final Audit Report

2024-12-20

Created:	2024-12-20
By:	Zoe Seed (zoe.seed@fmlm.ac.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAKk_uxKmWsdneJBLX0ScJ90g8vL5D72CQ

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-  Document created by Zoe Seed (zoe.seed@fmlm.ac.uk)
2024-12-20 - 1:42:18 PM GMT
-  Document emailed to Nargis Ara-Ranaldi (nargis.ara@hotmail.co.uk) for signature
2024-12-20 - 1:42:34 PM GMT
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-  Document e-signed by Nargis Ara-Ranaldi (nargis.ara@hotmail.co.uk)
Signature Date: 2024-12-20 - 2:26:07 PM GMT - Time Source: server
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2024-12-20 - 2:26:07 PM GMT

Accounts



Faculty of
**Medical Leadership
and Management**

Company number: 11390175

Charity number: 1178741

Faculty of Medical Leadership and Management

Annual Report and Financial Statements

For the year ended 31 December 2022

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For the year ended 31 December 2022

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Faculty of Medical Leadership and Management

Reference and administrative information

For the year ended 31 December 2022

Company number 11390175

Charity number 1178741

Registered office and operational address 167-169 Great Portland St, 5th Floor, London, W1W 5PF.

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees

Sir Professor Mayur Lakhani	Chair (elected Jan 2020/re-elected Aug 2022)
Ms Jenny Ehrhardt	Treasurer (until May 2022)
Dr Taj Hussain	Ordinary Trustee (until May 2022)
Mr John Misselbrook	Finance and Business Trustee (from Nov 2022)
Dr Philip Kloer	Ordinary Trustee (re-appointed Jul 2022)
Mr Alastair Henderson	Ordinary Trustee (re- appointed Jul 2022)
Professor Bee Wee	Co-opted Trustee (appointed Nov 2019)
Professor Kamila Hawthorne	Co-opted Trustee (appointed Nov 2019)
Ms Nargis Ara-Ranaldi	Lay Trustee (re-appointed Nov 2022)
Mr Mark Spragg	Lay Trustee (re-appointed Nov 2022)
Mr David Bennett	Lay Trustee (re-appointed Nov 2022)

Senior Leadership	Professor Rich Withnall	Chief Executive Officer (CEO) (joined April 2023)
	Mr Peter Lees	CEO (until Nov 2022)
	Dr Paul Evans	Medical Director & Acting CEO (from Nov 2022)
	Ms Kirsten Armit	Director of FMLM Applied and Research
	Dr Daljit Hothi	Director of Leadership Development & Education
	Ms Yasmin Ali	Director of Corporate Services

Bankers Charities Aid Foundation Bank (CAF Bank Limited)
25 Kings Hill Avenue,
Kings Hill, West Malling,
Kent, ME19 4JQ.

Solicitors Bates Wells Braithwaite
10 Queen Street Place,
London, EC4R 1BE.

Auditor Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House,
108-114 Golden Lane, London, EC1Y 0TL.

Trustees' annual report

For the year ended 31 December 2022

Chair's Foreword

I am pleased to present FMLM's annual report for 2022. This year has been a time of significant change for our organisation. We were honoured to appoint Professor Rich Withnall as our new CEO. Rich brings a wealth of experience in healthcare leadership, having served for 34 years in the Ministry of Defence, most recently as Director of Healthcare. He is also Chief Examiner and Medical Director at the Royal College of General Practitioners. I am confident that Rich will be a great asset to FMLM and will help us to achieve our ambitious goals.

We also said goodbye to our former CEO, Mr Peter Lees MBE, who has retired. Peter has been at FMLM since its inception, and I would like to take this opportunity to thank him for his service to FMLM.

In addition to these leadership changes, we also made several other significant appointments in 2022. Dr Daljit Hothi was appointed Director of Leadership Development and Education, and Yasmin Ali was appointed Director of Corporate Services. Our Board of Trustees also welcomed Finance and Business Trustee, Mr John Misselbrook FCCA. These appointments reflect FMLM's continued growth and our commitment to providing our members with the highest quality leadership development and support.

In 2022, we launched several new initiatives, including Leadership 720, an advanced leadership development programme for Clinical Fellow Alumni, and our international fellowship, which is available to non-UK registered senior individuals who have made exceptional contributions to medical leadership and management. We also held our annual International Healthcare Leadership Conference, which was a great success.

FMLM Applied, our commercial arm, continues to deliver exceptional leadership development programmes. In November 2022, we formed a new partnership with Advancing Quality Alliance (AQuA), a leading improvement agency. This partnership will enable us to offer our members even more comprehensive and innovative leadership development programs.

Despite the challenges posed by the uncertain economic climate and the ongoing pandemic, FMLM has continued to grow and innovate. We are confident that we are well-placed to support healthcare leaders in navigating change and challenges in the years to come. The COVID-19 pandemic has significantly impacted the NHS, putting immense strain on our healthcare system. Medical leaders have worked tirelessly to provide care to patients during these challenging times, and I am grateful for their dedication and commitment.

I believe that FMLM has a key role to play in supporting the development of high-quality medical leadership. We will continue to work with our members and partners to ensure that the healthcare system has the leadership it needs to deliver excellence in patient care.

Sincerely,

Sir Professor Mayur Lakhani CBE
FMLM Chair

Chief Executive Officer's Introduction

2022 saw a period of significant change for FMLM. The previous CEO, who was integral to the establishment of FMLM decided to stand down from this role after 11 years in post. I became the acting CEO in November 2022 to oversee the selection of a new CEO and support the organisation until the new CEO formally commenced the role. Professor Rich Withnall was the successful candidate, formally commencing the role of CEO in April 23, although he has been able to undertake a part-time induction since February 2023. The staff at FMLM have adjusted well to this change and I have been exceptionally well supported by my fellow directors in this transition period.

The three core functions of FMLM have been maintained: professionalisation of medical and dental leadership; research and the promotion of evidence; and individual and organisational leadership development. All these are underpinned by the need to promote equality, diversity, inclusion, and sustainability. Following a highly successful year in 2021, FMLM took the opportunity to invest in staff enhancement and improvement of working practices and systems to enable further growth of the organisation across all core functional areas. A critical role was the appointment of a Director of Corporate Services to oversee FMLM's business processes. This led to external reviews in marketing and communications and financial services, two key elements to support the effective growth of the business in the future. In addition, a new Director of Leadership Development and Education was appointed to lead in that core function and oversee the expanding clinical fellow schemes.

However, FMLM has experienced the direct impact of the rise of the cost of living and increasing inflation during the latter part of 2022. For the first time across all business areas individuals and organisations were questioning the affordability of FMLM support, be it individual membership or the commissioning of leadership development programmes, despite a recognition of the value of strong leadership in the health sector. Moreover, this was exacerbated by the enormous work pressures being experienced in the UK health service, because of the effects of the pandemic and significant workforce recruitment and retention issues in all health sectors.

Whilst membership of FMLM has remained static in 2022, the numbers successfully applying for Fellowship of FMLM (at three levels: Associate, Fellow and Senior Fellow) have continued to gradually increase and now stand at 238. This is important as Fellowship of FMLM provides a strong statement of an individual's credibility as a healthcare leader and offers their employer an opportunity to demonstrate their commitment to improve leadership capability within their organisation, in other words this fundamentally underpins the professionalisation agenda. In 2022, FMLM launched International Fellowship, for doctors or dental who have qualified and work overseas, and Collaborative Fellowship (at two levels: Associate and Fellow) for those non-doctors and dentists working in the health sector who wish to benchmark their leadership credentials against the FMLM Leadership and Management Standards for Medical Professionals. This latter qualification was introduced following encouragement from non-doctors and dentists on FMLM's Clinical Fellow Schemes.

The enthusiasm of trainees to develop their leadership skills is remarkable, whether as part of clinical fellow schemes or as trainee specialists. FMLM have worked with Health Education England to introduce an optional leadership component to their Annual Review of Competence Progression (ARCP) that has been

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well received by trainees. The Trainee Steering Group (TSG) continued to flourish during 2022 and the work of re-establishing the Medical Student Group (MSG) was commenced in the latter part of 2022, with thanks in particular to the support of the FMLM Douglas Clinical Fellow. The calibre of the new committee is exceptional and 2023 promises to be a year where our doctors of the future grasp the relevance of leadership qualities as they become medical graduates.

In summary, despite a difficult year, FMLM maintained its core value to promote leadership development that ultimately will enhance patient experience and improve patient care. Strong leadership within the health sector is crucial and medical and dental professionals must engage and spearhead this change.

Dr Paul Evans

FMLM Chief Executive Officer (Acting)

Medical Director

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The trustees present their report and the audited financial statements for the year ended 31 December 2022.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims:

The objects of FMLM are:

- (a) for the public benefit, to advance education and knowledge in the field of medical leadership and management and promote research in all aspects of the subject and to publish the useful results; and
- (b) for the public benefit, to advance health through setting the highest professional standards and competences for medical leadership, management and quality improvement, the main activities undertaken in relation to those purposes.

FMLM meets these charitable objects and achieves public benefit through a range of activities including the following:

- Set the standards for medical leadership and award fellowships against these standards.
- Provide membership services including access to the latest research in medical leadership and management, mentoring and online development opportunities, such as webinars.
- Contribute to the research base for medical leadership and management.
- Annual international and national conferences to promote best evidence-based best practice.

Mission statement:

FMLM will work to establish its role as the professional home for medical leadership* and promote excellence in leadership on behalf of all doctors in public health, mental health, primary and secondary care, from medical student to medical director and chief executive, and for all UK healthcare providers and healthcare related organisations in all sectors.

(*dental leadership is encompassed in the term medical leadership)

Vision and core values:

'To champion, influence and develop excellence in medical leadership to drive continuous improvement in health and healthcare.'

FMLM works to professionalise medical leadership by setting and benchmarking against standards that are aligned with the General Medical Council's Good Medical Practice and underpinned by the research evidence linking leadership to quality of care and patient outcomes.

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The year to 31 December 2022 was the first of the five-year 2022-26 strategy and the fourth as a registered charity. The performance and achievements in the year are summarised below.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

FMLM's main activities include:

- Establishing and maintaining professional standards of leadership; assessing individuals against these standards; awarding fellowship (at three levels of seniority) to doctors and dentists who have demonstrated that they meet the standards.
- Developing and supporting a membership of doctors and dentists at all career stages (including students); providing educational and training resources and leadership development opportunities including conferences, educational events and programmes.
- Promoting, disseminating and contributing to the research evidence about leadership and leadership development in healthcare.
- Supporting individuals, teams and organisations to improve their medical leadership, through interventions which include leadership development programmes, (psychometric) diagnostic tests, mentoring and coaching.
- Acting as a designated body for revalidation, according to The Medical Profession (Responsible Officers) (Amendment) Regulations 2013. The regulations make specific provisions that FMLM act as Designated Body for the National Medical Director (and their deputies) of NHS England, of which it duly undertakes.

Examples of FMLM's leadership development programmes include 'Tomorrow's Strategic Leader', a multi-module programme aimed at new consultants/GPs and senior trainee doctors; and the College Office Bearers' programme, which helps experienced doctors hone their skills in preparation for a senior leadership role in one of the medical royal colleges, including the role of college president.

An example of FMLM's 2022 educational events include the annual international healthcare leadership conference held online in November.

FMLM Applied provides tailored leadership development programmes for organisations and is a wholly owned trading arm of FMLM. It essentially operates as an independent consultancy with a separate board of directors, including at least one FMLM Trustee, and reports to the FMLM Board of Trustees.

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FMLM also receives income from grant funding for advertising on its website and, occasionally, from event or conference sponsorships.

Achievements and performance

Professionalising medical leadership

FMLM directs a major part of its work to improve patient care at the NHS and its medical workforce across the UK, and continues to engage with NHS England and NHS Improvement, the General Medical Council, Academy of Medical Royal Colleges, as well as individual medical royal colleges and faculties.

The year 2022 marked 11 years since FMLM's inception as a professional body and four years since it was established as an independent charity.

The third edition of the [FMLM Leadership and Management Standards for Medical Professionals](#) were in place. The Standards built on the individual competencies outlined in earlier editions and how they should be applied to the development of networks and more integrated patient care, as well as the health and wellbeing of local, regional and national populations. This aligned the Standards with the UK's new Health and Care Act (2022) as well as supporting an inclusive and diverse culture in healthcare.

The FMLM team continued to award [FMLM Accreditation](#) to courses and programmes that met FMLM requirements on quality and adhered to the *FMLM Leadership and Management Standards for Medical Professionals*. More than 20 programmes, courses and medical school curricula now carry the FMLM marque to indicate high quality medical leadership teaching.

The introduction of the [FMLM Affiliated Organisations](#) initiative led to an excellent year of growth in 2022, where word of mouth and endorsement from NHS England and Improvement resulted in 12 organisations joining FMLM. The 12 affiliated organisations have set out to adopt the FMLM Standards and ensure the leadership and management component of their medical appraisal is fit for purpose. In addition, the organisations have benefited from their affiliation with the professional home for medical leadership through discounts on other FMLM services, including *FMLM Applied* work and *FMLM Accreditation*.

Membership

FMLM membership grew at an encouraging rate in a trend that has been in evidence since 2019. The launch of [FMLM International Membership](#) saw uptake from more than 20 countries, and details on a forthcoming FMLM International Fellowship were agreed. The end of the year saw the launch of our first mobile app, [FMLM Navigator](#), which became available for FMLM members to use. Applications for [FMLM Fellowship](#) continued to be received at an encouraging rate, given the healthcare pressures. Work to improve the fellowship application and assessment process, including the full digitisation of the application system, was completed, and resulted in an easier, more efficient system for both applicants and assessors.

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Membership at the end of 2022 numbered 2,604 individual members (a 5.41% increase on 2020), including:

- Post-CCT (44.8%)
- Trainees (32.9%)
- Students (10.7%)
- Fellows (7.7%)
- Non-medical associates (1.8%)
- International (1.4%)
- Retired medical (0.7%)

The stated ethnicity of FMLM's total membership in 2022 remained similar in diversity to 2021; there was an increase in the proportion of members who did not declare their ethnicity:

- White (49.8%)
- Asian (20.3%)
- Black (4.9%)
- Mixed (2.8%)
- Arab (1.1%)
- Other/not stated (21.1%)

The gender split in FMLM's membership in 2022 showed a slight increase in the proportion of women:

- Male (55.9%)
- Female (44.0%)
- Not stated (0.1%)

FMLM Applied

In 2022 FMLM Applied delivered 37 programmes to 25 different organisations. Programmes ranged from one day workshops to programmes with multiple workshops, coaching, and psychometric profiling. FMLM Applied worked a range of clinicians including Medical Directors, Clinical Directors, Clinical Leads, Consultants, Chief Residents, and Trainees. As pandemic restrictions lifted, many programmes transitioned from online delivery to a combination of online and in person delivery.

In 2022, FMLM Applied's main clients continued to be NHS organisations in England although work was also undertaken with a pharmaceutical company, a healthcare society, an educational institution, a deanery and one programme was self-funded by individuals. As Integrated Care Systems (ICS) were set up in England, FMLM established a steering group of newly appointed ICS Chief Medical Officers (CMO's). This group provided guidance on the design of a development programme for ICS CMOs. The programme is funded by NHS England, a pharmaceutical company and participating ICS's. This programme was advertised, and participants recruited in 2022, planned to commence in May 2023. One region also commissioned an action learning set programme for ICS Chief Medical Officers, and this started in October 2022.

FMLM Applied established a partnership with the Advancing Quality Alliance (AQuA), an NHS improvement agency that supports health and care organisations to identify, refine and embed sustainable strategies for high quality care and regulatory excellence. The aim of the partnership is to promote and improve the

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provision of medical and clinical leadership to better enable clinical and medical leaders to lead improvement and transformation, at team, organisation and system levels to deliver better health outcomes and experiences for both citizens and healthcare staff. FMLM Applied and AQuA will do this by seeking opportunities and work together on shared commissions around leadership development, safety and quality improvement.

FMLM Applied developed new case studies to demonstrate the range and impact of its programmes. Work has also been undertaken to improve FMLM Applied's marketing efforts by improving its online presence and developing new marketing materials.

FMLM Applied added seven new associates to the Associate Register in 2022, this includes individuals with a nursing, secondary care, primary care, public health and coaching background.

A strategic review of FMLM Applied was undertaken in late 2022 and the Board of Directors agreed to:

1. Build business development capacity and capability through current and new associates and develop partnerships with like-minded organisations where respective offers and areas of expertise are complimentary.
2. Diversify the client base within the NHS and beyond and develop new offers to meet the needs of medical and other healthcare leaders.
3. Move towards a more research-based approach in the way FMLM Applied evaluates its programmes which will enhance learning and add to the FMLM research aims.

FMLM Research

In 2022, FMLM completed the first half of a project to investigate what works in leadership development and assessment for postgraduate doctors in training. This project is funded by the Dinwoodie Charitable Company. With the literature review and surveys completed, guidance and a Train the Trainer development programme and outcomes of this project will be published online in 2023. FMLM also commenced a research project in 2022 to explore how newly appointed integrated care system (ICS) Chief Medical Officers (CMOs) navigate their new roles. This research sits alongside a development programme for ICS CMOs, delivered by FMLM Applied.

FMLM Applied continued to review its approach to evaluation and has produced several case studies highlighting the impact of development programmes with a range of participants and organisations.

The online conference, held in November 2022, included contributions from a range of academic and healthcare practitioners on current research.

FMLM continued to work with BMJ as joint owner of the online scientific journal, BMJ Leader, to which FMLM members have access as part of their membership.

FMLM also became part of a World Healthcare Leadership Network, established by colleagues in Canada, with a view to sharing and collaborating on research (and other activities) with international peers.

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Leadership development

The third cohort of the [Tomorrow's Strategic Leader leadership development programme](#) that started in 2021, concluded delivery during 2022. The 10-day leadership development programme designed for senior trainees, early consultants and GPs, consisted of 15 participants from a range of secondary and primary care specialties. An interim evaluation of the programme indicated that 83 per cent of participants rated the programme four stars and above in a scale of one to five.

The seventh cohort of the [FMLM College Office Bearer's Leadership Development Programme](#) concluded delivery during 2022. Thirteen participants attended from a range of medical royal colleges and faculties. The programme reverted to mainly face to face delivery following easing of Covid-19 restrictions. The eighth cohort for the programme recruited 11 new participants during the summer of 2022 with the first day of delivery taking place in November.

The second [FMLM College Council Leadership Development Programme](#) was delivered to six participants in 2022. The programme is designed to help new members of college councils to get the best from their roles. The programme was delivered, online, over two half days, by a faculty of high-profile senior leaders drawn from the NHS and affiliated healthcare organisations.

FMLM's [Clinical Fellow Scheme](#) (CFS) portfolio continued to increase their profile and develop the potential scope of schemes throughout 2022. The portfolio successfully recruited and delivered seven schemes, six national and one regional.



141 Clinical Fellows from England, Wales and Northern Ireland were brought together as one multi-profession group for a 12-month leadership development programme, delivered throughout the year, in person and virtually.

The comprehensive CFS development programme supports leadership learning by exploring a range of themes and challenges that are crucial for developing and emerging leaders to understand, including how

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healthcare is organised, politics and policy making, understanding leadership style, leading through crisis and uncertainty, team working, team dynamics, health inequalities and sustainable healthcare.

Additionally, the Chief Nursing Officer's Senior Nurse Clinical Fellows participated in a bespoke eight module advanced leadership development programme.

FMLM continued to reinvest in the CFS/Alumni portfolio with appointments completed for the Director of Leadership Development and Education and a Programme Coordinator. The continued investment of a Learning Management System provides a suite of available resources that are accessible beyond Clinical Fellowship, specifically to the [Clinical Fellow Scheme Alumni](#) and additionally to business areas across FMLM. Income generated through growth has been re-invested across all schemes by developing an application assessment and online interview platform.

FMLM redesigned the offer for CFS Alumni with an ambition to expand their development opportunities, increase their networking opportunities, sustain the alumni drive and momentum for leadership and ensure that we can seamlessly signpost our talented alumni to future leadership projects or appointments.

Annual international conference

The international conference in 2022 was delivered wholly online, across two days in November, with a focus on the global perspective on healthcare leadership and delivery post-Covid.

The conference attracted 328 paying delegates and saw over 80 different speakers contribute to the varied panels, workshops and keynote speeches. The conference was sponsored by the General Medical Council.

The event scored well in terms of delegate feedback with 43% of respondents rating their overall satisfaction with the event a maximum of 5 stars and 50% rating the event with 4 stars. Highlights noted by respondents were the variety of sessions and speakers available, the online platform, being able to watch on-demand and the global representation and insight.

Beneficiaries of our services

The ultimate intended beneficiaries of FMLM's activities are patients, who benefit from better and safer care through better medical leadership. However, this is tenuous and difficult to measure.

The immediate beneficiaries of FMLM's services and activities are its membership, which mostly comprises doctors at all career stages from medical student to Medical Director and Chief executive. At the end of 2022, FMLM had 2,604 members who had access to benefits including mentoring, the latest research in medical leadership through FMLM's jointly owned scientific journal, BMJ Leader, and access to a wide range of activities including conferences, webinars, and interest groups (such as medical students and trainee steering groups).

FMLM measures the impact of its leadership development programmes by the FMLM charity and FMLM Applied through qualitative and quantitative measures, including commissioned research into the impact of

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a programme, such as *Tomorrow's Strategic Leader*. FMLM Applied often returns to a client some months later to assess the longer-term impact of its earlier leadership development interventions.

Financial review

During 2022 FMLM was able to maintain the same level of income as previous financial year - £1,971m (2021: £2,146m) - at a time when activities were still disrupted by the restrictions arising from Covid-19. Overall expenditure had been planned to increase during the financial year and reported expenditure is £1,927m (2021: £1,615m). The increased levels were as a result of a decision to cautiously and effectively make best use of the reserves that were built in prior years. FMLM was able to grow its staff numbers to 18 FTE (2021: 12 FTE) and invested in specific areas such as cyber security and data protection, software and hardware upgrades, human resources support services and related services such as occupational health. These investments were essential requirements for FMLM's long term resilience, governance and growth strategy.

Overall, the group made a small deficit of £44k (2021: £531k) and that was in line with the approved annual budget for the year under review.

At the end of the financial year to December 2022, FMLM's finances remained on a solid basis, with unrestricted funds carried forward of £1,383 million. The strong reserves position provided a high level of assurance that the charity can mitigate the risks that it might face as a result of any changes in the internal or external environment. Furthermore, the group also had a strong cash position, with cash totalling £1,450 million at the end of the financial year under review.

Statement on fundraising

FMLM does not engage in public fundraising and does not use professional fundraisers or commercial participators. FMLM nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and FMLM received no complaints relating to its fundraising practice.

Principal risks and uncertainties

FMLM has reviewed and updated the key strategic risks identified in 2022 for the charity and FMLM Applied, which are summarised below.

- There was a risk that the resignation of Mr Peter Lees as CEO and founder of FMLM would impact leadership of the charity and FMLM Applied, as well as potentially result in a loss of networks and income which were dependent on Mr Lees's personal and direct involvement. This risk was mitigated by employing the former CEO in a "Director of Business Development" role within FMLM for an agreed fixed period of 2022-2024 to enable succession planning. Whilst recruitment was underway for a new CEO, the Medical Director undertook an "Acting CEO" role to ensure that FMLM did not experience any gaps in leadership, and a new permanent CEO was successfully recruited in December with an expected start date for their induction in February 2023, thus ensuring a smooth transition of leadership across FMLM. The recruitment of a Director of Corporate Services and Director of Leadership Development and Education into the Senior

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Leadership Team alongside the Director of FMLM Applied and Research and Medical Director also enabled stable and consistent leadership of FMLM during the transition period.

- There was risk that the long-term lack of marketing expertise and focus within FMLM would become an issue in 2022 and this would significantly impact our brand, income and profile. This was mitigated through the commissioning of a Marketing and Communications gap analysis and recruitment of an interim Digital Marketing consultant who also supported the recruitment process for a new Head of Marketing and Communications appointed in 2023.
- There was a risk that restructuring within the NHS and caps on spending would restrict FMLM's income as the NHS was historically the primary source of income for both FMLM and the charity. A proactive approach was taken to mitigate against potential impact through FMLM Applied diversifying its clients beyond the NHS e.g. pharma, and the CFS also recruited hosts from the private sector. This work will continue in 2023.
- Cybersecurity was a heightened global issue in 2022 and FMLM was carrying risks including outdated IT equipment and software, online security and device security. A significant programme of work and financial investment was undertaken to mitigate these risks, with FMLM securing a Certificate of Assurance for compliance with the Cyber Essentials scheme. The work on ensuring FMLM has a robust IT infrastructure will continue in 2023.

Reserves policy

FMLM's activities, together with the factors likely to affect its future development, performance and financial position, are set out on pages 5 to 11. The financial position of FMLM, its cash flows, liquidity position pages 24 to 27.

FMLM continuously seeks to find and maintain new sources of income to further its activities and also mitigate any risk of over-reliance on major income streams.

The FMLM reserves policy is to hold on average half its annual expenditure in reserve to enable FMLM to weather a temporary significant decrease in income and/or wind up the charity in an orderly manner, in line with best practice guidance for charities.

The FMLM reserves at 31 December 2022 were £1,433 million. This represents approximately eight months' worth of the operational expenditure forecast for 2023 and therefore the free reserves stand at £344k. The Trustees were comfortable with this and agreed to hold this above target level of reserves as additional mitigation against the risks inherent in the external environment. A full review of the reserves required in line with the reserves policy will be carried out during the three year budgeting process in 2023. Following the budgeting process, the policy may be reviewed by Trustees where there is a strong business case for investment in critical FMLM activity that would lead to a reduction in reserves to less than six months operating costs.

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Going concern

The trustees having reviewed FMLM's financial position, the level of cash and reserves, together with the long-term projections, the systems of financial control and risk management in place, management's continued endeavours to deliver operational efficiencies, they believe FMLM is well placed to manage its business risks successfully. The trustees consider FMLM has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Trading subsidiary

FMLM's wholly owned trading subsidiary FMLM Applied's net profit for the year ended 31 December 2022 of £118k to be gifted to the charity in 2023. The principal activities of the company are providing high-quality clinical leadership development aimed at enhancing clinical leadership and engagement to improve patient care, creating and providing bespoke support programmes for individuals, teams and organisations.

The trading results and balance sheet of the subsidiary extracted from its accounts are set out in note 12 to the financial statements.

Structure, governance and management

The Trustees of FMLM delegate day to day running of the charity to the Senior Leadership Team (SLT):

Mr Peter Lees, CEO (until 30 Nov 2022)

Dr Paul Evans, Medical Director & Acting CEO (from Nov 2022)

Ms Kirsten Armit, Director of FMLM Applied and Research

Dr Daljit Hothi, Director of Leadership Development & Education

Ms Yasmin Ali, Director of Corporate Services

Trustees make decisions on the strategic direction of the charity, with a written strategy reviewed at least every five years. The overall purpose of FMLM remains consistent and the main areas of focus for the next four years were agreed as follows:

To deliver FMLM's vision, it has galvanised its main outputs into three areas:

1. The professionalisation of medical leadership.
2. Improvement of the quality of leadership through evidence-based research.
3. Leadership development.

Financial decision-making and assessment of risks are first reviewed by the Finance, Audit and Risk (FAR) Committee, a sub-committee of the Board of Trustees. The FAR committee makes recommendations to the board on budget setting, staff remuneration, investment strategy, reserves policy and risk management. In 2022 the FAR committee was chaired by Lay Trustee, Mrs Nargis Ara-Ranaldi and members were Treasurer Ms Jenny Ehrhardt (until Mar 2022), Mr John Misselbrook, Finance & Business Trustee (from Nov 2022) Lay Trustee Mr Dave Bennett, and the Senior Leadership Team were in attendance.

The organisation is a charitable company limited by guarantee, incorporated on 31 May 2018 and registered as a charity on 12 June 2018.

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The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. FMLM commenced a review of its Articles of Association and creating Standing Orders in 2022 to reflect the evolving needs of the organisation. The Board agreed that the Articles should be amended to ensure the FMLM has a fit-for-purpose document that is future-proofed and enables the recently agreed enhancements to the governance structures.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Remuneration policy for key management personnel

In line with charity best practice, the FMLM Remuneration Committee is responsible for setting the pay for roles at the executive director level of organisation.

While the Remuneration Committee is not responsible for setting the pay of individual staff members below the executive level, it may take a view in liaising with the Finance, Audit and Risk Committee on guidance to the Board on pay rates and annual pay rises at the aggregate level.

Setting the FMLM pay policy:

The FMLM executive pay policy aims to attract and retain staff of the appropriate calibre and experience to lead FMLM. The pay policy sets out how pay is determined and what factors have been taken into account, these include:

- any comparators against which the pay of senior staff is benchmarked,
- how FMLM's income, performance and forecasts will affect pay settlements,
- FMLM's track record in recruitment, retention and performance of senior staff.

The pay policy is reviewed annually, taking into account past and projected performance.

All staff except the Senior Leadership Team received an annual pay rise of 2% in April 2022. The annual Remuneration Committee did not take place for the SLT as the senior team agreed to review the end of year financial position in 2023 before commencing this process. It was also agreed that the terms of reference for the Remuneration Committee required review, due to be undertaken in 2023 with the new CEO and Chair of the Board.

At the end of 2022, FMLM had five members of staff who earned more than £60,000 a year.

Appointment of trustees

FMLM Trustees are appointed as follows:

Chair – nominated and voted in by eligible members of FMLM:

Lay Trustees – open competitive recruitment (advert and interviews)

Ordinary Trustees – appointed by the FMLM Board of Trustees

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Treasurer/Finance and Business Trustee – open competitive recruitment (advert and interviews)

Co-opted Trustees – appointed by the Board of Trustees

In addition to the main Board of Trustees, the FMLM governance structure also includes:

FMLM Applied Board

Revalidation and Appraisal Advisory Committee (RAAC)

Standards Certification and Award Committee (SCAC)

Accreditation Committee

Trustee induction and training

Every FMLM Trustee receives an induction pack with information about the charity's governing document, key business areas and personnel, strategic plan, annual business plan and budget, committee structure and reporting lines. Trustees are also invited to meet staff from each business area to build an understanding of the work of the charity and how it meets its charitable aims through its support to members and wider activity.

Trustees receive information about their responsibilities as charity trustees and company directors, including copies of *The essential trustee: what you need to know, what you need to do* and *It's your decision: charity trustees and decision making*, essential guides from the Charities Commission.

Trustees are supported by the Board Secretary, a role which was performed by the Director of Corporate Services (DCS) in 2022. The new DCS supported the Chair Elections and recruitment of new trustees in 2022. Any election and recruitment processes required in 2023 will be overseen by specific members of the Board.

Related parties and relationships with other organisations

FMLM Applied is a wholly owned subsidiary of FMLM the charity. It is a company limited by shares and its only shareholder is FMLM. FMLM Applied principally delivers leadership development programmes to organisations to help develop their medical leaders to improve patient care and safety. It delivers the programmes through a network of medical and non-medical leadership development professionals and is run on a day-to-day basis by the Director of FMLM Applied and Research and Chief Executive Officer. The FMLM Applied Board is chaired by Stephen Brooks, who previously sat on the FMLM Board as a Lay Trustee. Other members of the FMLM Applied Board are:

Mr Peter Lees, Director of Business Development (and former CEO)

Dr Iain Wallace, former FMLM Chair of the FMLM Board

Ms Kirsten Armit, FMLM Director of FMLM Applied and Research

Mr Jamie Ward, Independent of FMLM, with significant leadership development experience

Mr Dave Bennett, Lay Trustee

Ms Nargis Ara-Ranaldi, Lay Trustee

Dr Daljit Hothi, Director of Leadership Development and Education

Ms Yasmin Ali, Secretary to the Board of Trustees

Trustees' annual report

For the year ended 31 December 2022

Ms Sophie McGhee, Secretary to the FMLM Applied Board

100% of the profits from FMLM Applied are gift aided to FMLM the charity.

Funds held as custodian trustee on behalf of others

Founded in 2016 by two NHS clinicians, TEDxNHS is the world's largest TEDx event license holder – representing the 1.5 million people who work across health and social care. Organised by the NHS for the NHS, TEDxNHS operates on a fully not-for-profit basis, with a multidisciplinary team of volunteers, made up of NHS staff from across the UK.

TEDx NHS is a movement and does not have a corporate body or finance function, so is unable to receive income or pay invoices. FMLM as a strategic partner of TEDx NHS provides basic finance services and holds funds for TEDx NHS to enable each annual event to run. Typical financial transactions include hire fees for the event venue and ticket receipts from attendees. FMLM does not charge a fee for its services but is recognised as a strategic partner in all event marketing.

Through FMLM's role as an incorporated body and in support of work led by National Clinical Fellows, FMLM provides financial handling services to the Empowering Student Leadership in Healthcare (ESLIH). This includes receiving and holding ESLIH funds, issuing invoices on behalf of ESLIH and paying invoices owed by ESLIH. These funds are kept separate from FMLM's accounts as they do not form part of FMLM's income, expenditure or funds. FMLM benefits from contributing to and being associated with ESLIH as a supporting partner.

Plans for the future

Professor Rich Withnall's arrival as FMLM's new CEO in 2023 provides opportunities to further evolve the strategic direction of the organisation. This is an exciting time for FMLM. The NHS faces a multiplicity of compounding challenges during its 75th Anniversary year. The NHS Long Term Workforce Plan pledges £2.4 billion of new money over the next five years. Whilst this investment is very much welcomed, there is a current lack of training capacity and the parallel improvements in social care are required too. Professor Withnall has expressed publicly that good leadership has never been more important, and FMLM's Summary of the Evidence Base and Standards for Medical Professionals prove how good leadership improves patient outcomes. As a values-based organisation, FMLM must collaborate, not compete, to professionalise medical leadership and support national decision-takers.

The vision is for FMLM to become the UK's most influential healthcare leadership organisation by April 2030. To achieve this, the mission is for FMLM to develop a winning culture so that we can: achieve Chartered Status as a qualification-awarding, cross-specialty healthcare leadership organisation; grow our membership to 5000 by April 2026 and 10,000 by April 2030; and increase our turnover to £5 million by April 2026 and £10M by April 2030. These targets are realistic but require FMLM to be more visible, bold, and ambitious. FMLM must have a view and a voice.

Trustees' annual report

For the year ended 31 December 2022

We are keen for FMLM's values to remain underpinned by quality, patient-centredness and mutual support. We will cohere around a shared organisational idea to improve patient outcomes by professionalising healthcare leadership in all four UK nations, and potentially overseas. The three strategic priorities for FMLM will be to: improve our organisational design (our enabling priority); optimise our outputs; and grow FMLM.

In addition, FMLM will focus on:

FMLM will ensure 'golden thread' commitments of equality, diversity, inclusivity and belonging (EDI&B), sustainability and ethical investment influence our decision-taking.

FMLM will increase our focus on research, high-impact publications, and high-profile presentations. We will cohere our developmental offers and commercial activities alongside sustaining existing partnerships and growing new ones. FMLM's organisational structure is not an end in itself though; it is simply a vehicle for accomplishing our strategic ambitions. Hence, the Senior Leadership Team will remain agile and mutually supporting through matrix working. Don't be surprised to see us doing less, better! That is not to say FMLM has under-performed before. Rather to highlight that we now need to prioritise and sure-up our finances so FMLM can invest, develop, and grow.

Statement of responsibilities of the trustees

The trustees (who are also directors of Faculty of Medical Leadership and Management for the purposes of company law) are responsible for preparing the trustees' annual 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees' annual report

For the year ended 31 December 2022

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2022 was 11 (2021: 10). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 23 August 2023 and signed on their behalf by

Nargis Ara-Ranaldi

Chair of Finance, Audit and Risk Committee

Lay Trustee

Independent auditor's report

For the year ended 31 December 2022

Independent auditor's report to the members of Faculty of Medical Leadership and Management.

Opinion

We have audited the financial statements of Faculty of Medical Leadership and Management (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 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 group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's 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.
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 group financial statements section of our report. We are independent of the group and parent charitable company 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 trustees' 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 Faculty of Medical Leadership and Management'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 trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

For the year ended 31 December 2022

Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group 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 the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors 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' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the year ended 31 December 2022

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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 group'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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance, Audit and Risk Committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.

Independent auditor's report

For the year ended 31 December 2022

- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Joanna Pittman (Senior statutory auditor)

28 September 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

Faculty of Medical Leadership and Management

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

	Note	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Income from:							
Donations and legacies	2	38	33,643	33,681	36,190	30,151	66,341
Charitable activities							
Professional body services	3	427,062	–	427,062	471,602	–	471,602
Development, education & training							
Services	3	845,219	–	845,219	979,552	10,462	990,014
FMLM events	3	61,237	–	61,237	12,682	–	12,682
Other trading activities	4	602,651	–	602,651	605,000	–	605,000
Investments		1,528	–	1,528	–	–	–
Total income		1,937,735	33,643	1,971,378	2,105,026	40,613	2,145,639
Expenditure on:							
Raising funds (including costs of trading)	5	569,841	–	569,841	568,446	–	568,446
Charitable activities							
Professional body services	5	480,768	–	480,768	379,442	–	379,442
Development, education & training							
Services	5	651,204	28,500	679,704	441,175	59,811	500,986
FMLM events	5	197,354	–	197,354	165,854	–	165,854
Total expenditure		1,899,167	28,500	1,927,667	1,554,917	59,811	1,614,728
Net movement in funds and net income/(expenditure) for the year	6	38,568	5,143	43,711	550,109	(19,198)	530,911
Reconciliation of funds:							
Total funds brought forward		1,344,435	44,374	1,388,809	794,326	63,572	857,898
Total funds carried forward		1,383,003	49,517	1,432,520	1,344,435	44,374	1,388,809

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Faculty of Medical Leadership and Management

Balance sheets

Company no. 11390175

As at 31 December 2022

	Note	The group 2022 £	2021 £	The charity 2022 £	2021 £
Fixed assets:					
Tangible assets	11	12,491	–	12,491	–
Investment in subsidiary		–	–	1	1
		<u>12,491</u>	<u>–</u>	<u>12,492</u>	<u>–</u>
Current assets:					
Debtors	14	808,834	770,038	530,243	459,282
Cash at bank and in hand		1,450,555	1,441,423	1,223,331	1,130,059
		<u>2,259,389</u>	<u>2,211,461</u>	<u>1,753,574</u>	<u>1,589,341</u>
Liabilities:					
Creditors: amounts falling due within one year	15	(839,360)	(822,652)	(450,999)	(255,429)
		<u>1,420,029</u>	<u>1,388,809</u>	<u>1,302,575</u>	<u>1,333,913</u>
Net current assets		<u>1,420,029</u>	<u>1,388,809</u>	<u>1,302,575</u>	<u>1,333,913</u>
Total net assets		<u>1,432,520</u>	<u>1,388,809</u>	<u>1,315,067</u>	<u>1,333,913</u>
Funds:	18				
Restricted income funds		49,517	44,374	49,517	44,374
Unrestricted income funds:					
General funds		1,383,003	1,344,435	1,265,550	1,289,539
Total unrestricted funds		<u>1,383,003</u>	<u>1,344,435</u>	<u>1,265,550</u>	<u>1,289,539</u>
Total funds		<u>1,432,520</u>	<u>1,388,809</u>	<u>1,315,067</u>	<u>1,333,913</u>

Approved by the trustees on 23 August 2023 and signed on their behalf by

Nargis Ara-Ranaldi
Trustee

Consolidated statement of cash flows

For the year ended 31 December 2022

	Note	2022 £	£	2021 £	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		43,711		530,911	
Depreciation charges		6,246		19,873	
Dividends, interest and rent from investments		(1,528)		–	
(Increase)/decrease in debtors		(38,796)		(383,493)	
Increase/(decrease) in creditors		16,708		198,653	
Net cash provided by operating activities			26,341		365,944
Cash flows from investing activities:					
Dividends, interest and rents from investments		1,528		–	
Purchase of fixed assets		(18,737)		–	
Proceeds from sale of investments		–		–	
Purchase of investments		–		–	
Net cash (used in) investing activities			(17,209)		–
Change in cash and cash equivalents in the year			9,132		365,944
Cash and cash equivalents at the beginning of the year			1,441,423		1,075,479
Cash and cash equivalents at the end of the year			1,450,555		1,441,423

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies

a) Statutory information

Faculty of Medical Leadership and Management is a charitable company limited by guarantee and is incorporated in England. The registered office address is 167–169 Great Portland Street, 5th Floor, London, W1W 5PF.

b) Basis of preparation

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary FMLM Applied Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees, having reviewed FMLM's financial position and the level of cash and reserves, consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision, of a specified service, (including membership, development services, training, events and consultancy) is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

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.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the running commercial consultancy activity through FMLM Applied.
- Expenditure on charitable activities includes the costs of delivering services to our members undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

- | | |
|--|-----|
| • Professional body services | 27% |
| • Development, education & training Services | 39% |
| • FMLM Events | 14% |
| • Raising funds (including costs of trading) | 20% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--------------------------|---------|
| • Fixtures and fittings | 3 years |
| • Leasehold improvements | 3 years |
| • Computers | 3 years |

l) Investments in subsidiaries

Investments in subsidiaries are at cost.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

q) Pensions

The charitable company operates a defined contribution scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

Notes to the financial statements

For the year ended 31 December 2022

2 Income from donations and legacies

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Donations	38	–	38	418	–	418
Grant income	–	33,643	33,643	35,772	30,151	65,923
Legacies	–	–	–	–	–	–
	38	33,643	33,681	36,190	30,151	66,341

3 Income from charitable activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Membership income	335,078	–	335,078	377,364	–	377,364
BMJ Leader journal	19,119	–	19,119	20,844	–	20,844
Fellowship	9,157	–	9,157	14,630	–	14,630
Revalidation and appraisal fees	63,708	–	63,708	58,764	–	58,764
Sub-total for Professional body services	427,062	–	427,062	471,602	–	471,602
National Medical Director Clinical Fellowship Scheme	211,665	–	211,665	166,394	–	166,394
Chief Pharmaceutical Officer Clinical Fellowship Scheme	69,093	–	69,093	82,635	–	82,635
Chief Dental Officer Clinical Fellowship Scheme	25,493	–	25,493	39,120	–	39,120
Chief Nursing Officer's Clinical Fellowship Scheme	10,300	–	10,300	87,564	–	87,564
Chief Sustainability Officer's Clinical Fellowship Scheme	61,800	–	61,800	48,197	–	48,197
Regional Clinical Fellowship Scheme	322,151	–	322,151	323,652	–	323,652
Clinical Fellowship Scheme Alumni	16,483	–	16,483	126,427	–	126,427
Chief Scientific Officer's Clinical Fellowship Scheme	–	–	–	26,099	–	26,099
CPD and Accreditation	15,371	–	15,371	8,099	–	8,099
Other income from Development services	9,794	–	9,794	13,757	–	13,757
College Council Members Programme Income	1,950	–	1,950	2,925	–	2,925
Coaching Skills Workshop Income	–	–	–	2,027	–	2,027
College Officers Programme	46,275	–	46,275	16,656	–	16,656
Wales Clinical Fellowship Scheme	20,979	–	20,979	–	–	–
Northern Ireland Clinical Fellows Scheme	9,700	–	9,700	–	–	–
Royal College of Physicians/Faculty of Medical Leadership and Management events	24,165	–	24,165	36,000	10,462	46,462
Sub-total for development, education & training services	845,219	–	845,219	979,552	10,462	990,014
Conference	44,446	–	44,446	10,557	–	10,557
Other events	16,791	–	16,791	2,125	–	2,125
Sub-total for FMLM events	61,237	–	61,237	12,682	–	12,682
Total income from charitable activities	1,333,518	–	1,333,518	1,463,836	10,462	1,474,298

4 Income from other trading activities

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Advertising	1,282	–	1,282	3,000	–	3,000
Consultancy	601,369	–	601,369	602,000	–	602,000
	602,651	–	602,651	605,000	–	605,000

5a Analysis of expenditure (current year)

		Charitable activities							
	Raising funds (including costs of trading) £	Professional body services £	Development , education & training Services £	FMLM Events £	Governance costs £	Support costs £	2022 Total £	2021 Total £	
Staff costs (Note 7)	182,180	176,723	154,475	65,384	22,469	218,613	819,844	785,255	
Temporary staff costs	-	-	-	-	-	140,661	140,661	17,125	
Other staff costs	-	-	-	-	-	89,048	89,048	75,529	
Consultancy costs	230,690	-	-	-	-	-	230,690	269,009	
Journal costs	-	51,693	-	-	-	-	51,693	49,302	
Revalidation and appraisal costs	-	40,442	-	-	-	-	40,442	23,100	
Clinical Fellowship Scheme costs	-	-	153,507	-	-	-	153,507	123,807	
Development services costs	-	-	39,721	-	-	-	39,721	21,339	
Education and training costs	-	-	17,773	-	-	-	17,773	18,134	
Career development costs	-	-	-	-	-	-	-	(30,712)	
Other events costs	-	-	8,136	22,090	-	-	30,226	36,896	
Marketing	-	-	-	-	-	18,536	18,536	12,461	
Rent and facilities charges	-	-	-	-	-	79,341	79,341	75,969	
IT and office costs	-	-	-	-	-	93,345	93,345	45,147	
Legal and professional fees	-	-	-	-	9,950	58,703	68,653	47,273	
Travel and subsistence	-	-	-	-	-	13,013	13,013	1,984	
Other costs	-	-	-	-	-	24,511	24,511	23,237	
Depreciation	-	-	-	-	-	6,246	6,246	19,873	
Bad debts written off	-	-	-	-	-	10,417	10,417	-	
	412,870	268,858	373,612	87,474	32,419	752,434	1,927,667	1,614,728	
Support costs	150,487	203,157	293,449	105,341	-	(752,434)	-	-	
Governance costs	6,484	8,753	12,643	4,539	(32,419)	-	-	-	
Total expenditure 2022	569,841	480,768	679,704	197,354	-	-	1,927,667	-	

5b Analysis of expenditure (prior year)

		Charitable activities						
	Raising funds (including costs of trading) £	Professional body services £	Development , education & training Services £	FMLM Events £	Governance costs £	Support costs £	2021 Total £	
Staff costs (Note 7)	211,856	188,808	168,191	97,099	23,356	95,945	785,255	
Temporary staff costs	-	-	-	-	-	17,125	17,125	
Other staff costs	-	-	-	-	-	75,529	75,529	
Consultancy costs	269,009	-	-	-	-	-	269,009	
Journal costs	-	49,302	-	-	-	-	49,302	
Revalidation and appraisal costs	-	23,100	-	-	-	-	23,100	
Clinical Fellowship Scheme costs	-	-	123,807	-	-	-	123,807	
Development services costs	-	-	21,339	-	-	-	21,339	
Education and training costs	-	-	18,134	-	-	-	18,134	
Career development costs	-	-	(30,712)	-	-	-	(30,712)	
Other events costs	-	-	29,447	7,449	-	-	36,896	
Marketing	-	-	-	-	-	12,461	12,461	
Rent and facilities charges	-	-	-	-	-	75,969	75,969	
IT and office costs	-	-	-	-	-	45,147	45,147	
Legal and professional fees	-	-	-	-	-	47,273	47,273	
Travel and subsistence	-	-	-	-	-	1,984	1,984	
Other costs	-	-	-	-	-	23,237	23,237	
Depreciation	-	-	-	-	-	19,873	19,873	
	480,865	261,210	330,206	104,548	23,356	414,543	1,614,728	
Support costs	82,910	111,926	161,671	58,036	-	(414,543)	-	
Governance costs	4,671	6,306	9,109	3,270	(23,356)	-	-	
Total expenditure 2021	568,446	379,442	500,986	165,854	-	-	1,614,728	

6 Net income for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	6,246	19,873
Interest payable	–	200
Operating lease rentals:		
Property	79,341	75,969
Other	–	1,162
Auditor's remuneration (excluding VAT):		
Audit	9,950	8,650
Other services	2,300	2,100
	2,300	2,100

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	696,968	667,778
Social security costs	83,771	76,900
Employer's contribution to defined contribution pension schemes	39,105	40,577
	819,844	785,255

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 No.	2021 No.
£70,000 – £79,999	2	–
£80,000 – £89,999	–	2
£120,000 – £129,999	1	–
£130,000 – £139,999	–	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £399,090 (2021: £345,893).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2021: £nil). No charity trustee received payment for professional or other services supplied to the charity (2021: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £nil (2021: £nil) incurred by 0 members (2021: nil) relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 13 (2021: 13).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2022 No.	2021 No.
Raising funds	3.9	2.2
Professional body services	1.6	3.2
Development, education & training services	4.3	2.9
FMLM events	2.9	1.5
Support	5.3	2.4
	18.0	12.1

9 Related party transactions

There are no related party transactions to disclose for 2022 (2021: none).

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary FMLM Applied Limited gift aids available profits to the parent charity. Its charge to corporation tax in the year was:

	2022 £	2021 £
UK corporation tax at 19% (2021: 19%)	-	-

11 Tangible fixed assets

The group and charity

	Fixtures and fittings £	Leasehold improvements £	Computers £	Total £
Cost				
At the start of the year	1,560	58,057	-	59,617
Additions in year	-	-	18,737	18,737
At the end of the year	1,560	58,057	18,737	78,354
Depreciation				
At the start of the year	1,560	58,057	-	59,617
Charge for the year	-	-	6,246	6,246
At the end of the year	1,560	58,057	6,246	65,863
Net book value				
At the end of the year	-	-	12,491	12,491
At the start of the year	-	-	-	-

12 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of FMLM Applied Ltd, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. Kirsten Armit and Jenny Ehrhardt are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2022	2021
	£	£
Turnover	601,640	602,000
Cost of sales	(228,204)	(266,355)
Gross profit	373,436	335,645
Administrative expenses	(66,867)	(18,502)
Management charge payable to parent undertaking	(189,116)	(262,247)
Profit / (loss) on ordinary activities before taxation	117,453	54,896
Tax paid	-	-
Profit / (loss) for the financial year	117,453	54,896
Retained earnings		
Total retained earnings brought forward	54,897	13,189
Profit / (loss) for the financial year	117,453	54,896
Distribution under Gift Aid to parent charity	(54,896)	(13,188)
Total retained earnings carried forward	117,454	54,897
The aggregate of the assets, liabilities and funds was:		
Assets	699,314	707,692
Liabilities	(581,860)	(652,795)
Funds	117,454	54,897

Amounts owed to/from the parent undertaking are shown in note 15.

13 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2022	2021
	£	£
Gross income	1,665,434	1,819,074
Result for the year	18,846	489,204

14 Debtors

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	683,715	720,453	420,762	409,697
Other debtors	91	16,025	91	16,025
Accrued income	125,028	33,560	109,390	33,560
	808,834	770,038	530,243	459,282

15 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	171,015	86,643	103,757	58,682
Amounts owed to subsidiary	–	–	193,499	16,307
Taxation and social security	87,109	42,492	57,674	27,131
Accruals	37,860	94,088	37,860	94,088
Deferred income (note 16)	542,376	592,938	57,209	52,879
Other creditors	1,000	6,491	1,000	6,342
	839,360	822,652	450,999	255,429

16 Deferred income

Deferred income comprises membership fees, development, education & training services fees and fees for consultancy work received in advance.

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Balance at the beginning of the year	592,938	491,924	52,879	10,462
Amount released to income in the year	(592,938)	(491,924)	(52,879)	(10,462)
Amount deferred in the year	542,376	592,938	57,209	52,879
Balance at the end of the year	542,376	592,938	57,209	52,879

17a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	12,491	–	–	12,491
Net current assets	1,370,512	–	49,517	1,420,029
Net assets at 31 December 2022	1,383,003	–	49,517	1,432,520

17b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	–	–	–	–
Net current assets	1,344,435	–	44,374	1,388,809
Net assets at 31 December 2021	1,344,435	–	44,374	1,388,809

18a Movements in funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Expert Leadership Development Programme	(7,251)	33,643	(22,700)	–	3,692
Career Development for Medical Leaders	21,625	–	(5,800)		15,825
Career Development for UK doctors registered with the General Medical Council (Sir Neil Dougal Travel Fund)	30,000	–	–	–	30,000
Total restricted funds	44,374	33,643	(28,500)	–	49,517
Unrestricted funds:					
General funds	1,344,435	1,937,735	(1,899,167)		1,383,003
Total unrestricted funds	1,344,435	1,937,735	(1,899,167)	–	1,383,003
Total funds	1,388,809	1,971,378	(1,927,667)	–	1,432,520

18b Movements in funds (prior year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Expert Leadership Development Programme	11,734	10,462	(29,447)	–	(7,251)
Career Development for Medical Leaders	21,838	30,151	(30,364)	–	21,625
Career Development for UK doctors registered with the General Medical Council	30,000	–	–	–	30,000
Total restricted funds	63,572	40,613	(59,811)	–	44,374
Unrestricted funds:					
General funds	794,326	2,105,026	(1,554,917)	–	1,344,435
Total unrestricted funds	794,326	2,105,026	(1,554,917)	–	1,344,435
Total funds	857,898	2,145,639	(1,614,728)	–	1,388,809

18b Movements in funds (prior year continued)

Expert Leadership Development Programme

A grant provided by the Dinwoodie Charitable Company in respect of the delivery of an Expert Leadership Development Programme. The aim of the project is to design and deliver a unique bespoke programme of leadership and management development which is generalisable across the profession to guarantee a healthy pipeline of doctors prepared and well equipped to take on major roles in leading health services in the UK, and to undertake a detailed evaluation of the programme to include measurement of the change in leadership capability of the participants.

Career Development for Medical Leaders

A grant provided by the Dinwoodie Charitable Company in respect of the delivery of an online learning platform for medical leadership and management training for the medical profession. The aim of the project is to develop a fully interactive digital toolkit which will provide a comprehensive 'cradle to grave' career map with links to a broad collection of educational materials and advice for doctors to develop as medical leaders. In addition it is intended that this resource will provide support to doctors having to meet the compulsory requirements of revalidation specifically with regard to the domain of leadership.

Career Development for UK doctors registered with the General Medical Council (Sir Neil Dougal Travel Fund) A fund to be used for the enhancement of the management and leadership skills and abilities of individual UK doctors registered with the General Medical Council. To be used to increase the leadership and management experience, skills and abilities by gaining experience of the healthcare systems in nations or regions in which the individuals do not currently work.

19 Operating lease commitments

The charity and group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2022	2021	2022	2021
	£	£	£	£
Less than one year	13,275	49,053	–	1,162
One to five years	–	66,375	–	–
	<u>13,275</u>	<u>115,428</u>	<u>–</u>	<u>1,162</u>

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 11390175

Charity number: 1178741

Faculty of Medical Leadership and Management

Annual Report and Financial Statements

For the year ended 31 December 2021

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For the year ended 31 December 2021

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Faculty of Medical Leadership and Management

Reference and administrative information

For the year ended 31 December 2021

Company number 11390175

Charity number 1178741

Registered office and operational address 34 Red Lion Square, London, WC1R 4SG

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees

Professor Mayur Lakhani	Chair (appointed Chair 1 January 2020)
Ms Jenny Ehrhardt	Treasurer (appointed 1 June 2017)
Dr Philip Kloer	Ordinary Trustee (appointed 18 June 2019)
Mr Alastair Henderson	Ordinary Trustee (appointed 30 March 2019)
Dr Taj Hassan	Ordinary Trustee (appointed 1 April 2017)
Prof Bee Wee	Co-opted Trustee (appointed 1 November 2019)
Prof Kamila Hawthorne	Co-opted Trustee (appointed 26 November 2019)
Ms Nargis Ara-Ranaldi	Lay Trustee (appointed 1 November 2019)
Mr Mark Spragg	Lay Trustee (appointed 1 November 2019)
Mr David Bennett	Lay Trustee (appointed 1 November 2019)

Key management personnel

Mr Peter Lees	Chief Executive
Ms Kirsten Armit	Chief Operating Officer
Dr Paul Evans	Medical Director

Bankers

Charities Aid Foundation Bank (CAF Bank Limited)
25 Kings Hill Avenue
Kings Hill, West Malling,
Kent ME19 4JQ

Solicitors

Bates Wells Braithwaite
10 Queen Street Place
London EC4R 1BE

Auditor

Sayer Vincent LLP
Chartered Accountants and Statutory Auditor
Invicta House
108-114 Golden Lane
London EC1Y 0TL

Chair's Foreword

The year presented further challenges to healthcare leadership through the ongoing Covid-19 pandemic, the increasingly obvious crises presented by climate change and the ongoing structural inequalities in healthcare. Additionally, the year also marked the 10th anniversary of FMLM and a number of our members and fellows being recognised in the Queen's New Year and Birthday Honours, among them our Chief Executive, Peter Lees, receiving an MBE for services to medical leadership.

With healthcare's leadership and workforce dealing with the challenges of Covid-19 and recovery and restoration, FMLM's 10th anniversary celebrations, launched at the beginning of the year, were purposefully low key. We focused on celebrating the milestones reached as an organisation and our growing community of leaders, as well as placing the key issues of sustainability and tackling inequality of access to – and career attainment in – healthcare, as central planks of support for both our incredibly valuable workforce as well as the care of our patients.

Tackling racism and building fairer systems to address structural inequalities in healthcare access and outcomes, as well as the urgent green agenda in healthcare, were among the key topics of discussion at our annual international conference in November. The post-Covid world presents us with the opportunity to learn, plan and lead a very different agenda in future, one that is beneficial for both the workforce and for patient care.

Medical and dental leadership has never been more important. This is a time of opportunity for those who are, and who aspire to be, medical and dental leaders; to create the best possible futures for the workforce and the communities we serve, and FMLM is proud and privileged to support that.

Professor Mayur Lakhani CBE

FMLM Chair

Chief Executive's Introduction

As FMLM's 10th anniversary dawned, we recognised the contribution that many have made to the development of the UK professional home for medical and dental leadership. Throughout 2021, the Covid-19 pandemic continued to rage with varying ferocity so the needs of FMLM's membership remained a strong focus. After the significant challenges 2020 posed to the organisation's resilience, 2021 yielded the strongest performance to date and offered the opportunity for a significant refresh in a number of areas. The new five-year strategy, developed in 2021, defined three core functions of FMLM: professionalisation of medical and dental leadership; research and the promotion of evidence; and individual and organisational leadership development. All are underpinned by the need to promote equality, diversity and inclusion and sustainability. The third edition of the *Leadership and Management Standards for Medical Professionals* was published with enhancements to system leadership. Membership numbers continued to grow, and the number of members awarded fellowship FMLM Fellowship grew to over 200.

An embryonic research arm was created, strong academic collaborations were established and FMLM secured its first significant research grant. Our sister organisation, the Royal Australasian College of Medical Administrators (RACMA) adopted the British Medical Journal Leader (BMJL) as its official journal and FMLM continued to publish widely in the academic literature. The year ended with our annual international conference, in partnership with the British Medical Journal (BMJ), at which we launched FMLM Navigator, the new career guidance, CPD and leadership development app for doctors at all stages of the medical career.

FMLM continued to play a major role in supporting medical and dental leaders facing the rigors of leading through the pandemic and multiple new development programmes were commissioned with hundreds of participants. We also marked 10 years of managing the National Medical Director's Clinical Fellowship Scheme. This has grown and diversified over the decade, firstly into dentistry and pharmacy. In 2021, we launched a new, multi-professional NHS Regional Clinical Fellow Scheme and a new alumni scheme in partnership with NHS England and NHS Improvement. Nationally, we also established three new schemes sponsored by the Chief Sustainability Officer, the Chief Nursing Officer and the Chief Scientific Officer. We were very pleased to be joined in the supporting education programme by fellows from sister schemes across the home nations. The year culminated with Professor (now Sir) Jonathan Van-Tam, Deputy Chief Medical Officer for England, delivering the annual Keogh lecture in which he shared his reflections on science, clinical leadership and the Covid-19 pandemic.

The work of our Trainee Steering Group (TSG) grew from strength to strength with a range of initiatives including the launch of the *FMLM Leadership Commitment for Junior Doctors* to encourage healthcare organisations to recognise and support the leadership development of junior doctors, as well as the hugely supportive *Introduction to Leadership Development*, a series of free, monthly webinars.

FMLM continues to grow as a vital community to provide the support our members and fellows need, and to add value to the profession by upholding the standards of leadership and improving patient care.

Mr Peter Lees
FMLM Chief Executive

Trustees' annual report

For the year ended 31 December 2021

The trustees present their report and the audited financial statements for the year ended 31 December 2021.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The objects of FMLM are:

- (a) for the public benefit, to advance education and knowledge in the field of medical leadership and management and promote research in all aspects of the subject and to publish the useful results; and
- (b) for the public benefit, to advance health through setting the highest professional standards and competences for medical leadership, management and quality improvement, the main activities undertaken in relation to those purposes.

FMLM meets these charitable objects and achieves public benefit through a range of activities including the following:

- Set the standards for medical leadership and award fellowships against these standards
- Provide membership services including access to the latest research in medical leadership and management, mentoring and online development opportunities, such as webinars
- Contribute to the research base for medical leadership and management
- Annual international and national conferences to promote best evidence-based best practice.

Mission statement:

FMLM will work to establish its role as the professional home for medical leadership* and promote excellence in leadership on behalf of all doctors in public health, mental health, primary and secondary care, from medical student to medical director and chief executive, and for all UK healthcare providers and healthcare related organisations in all sectors.

(*dental leadership is encompassed in the term medical leadership)

Vision and core values:

‘To champion, influence and develop excellence in medical leadership to drive continuous improvement in health and healthcare.’

FMLM works to professionalise medical leadership by setting and benchmarking against standards that are aligned with the General Medical Council’s Good Medical Practice and underpinned by the research evidence linking leadership to quality of care and patient outcomes.

Trustees' annual report

For the year ended 31 December 2021

The year to 31 December 2021 was the fifth of the five-year 2017/21 strategy and the third as a registered charity. The performance and achievements in the year are summarised below.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

FMLM's main activities include:

- Establishing and maintaining professional standards of leadership; assessing individuals against these standards; awarding fellowship (at three levels of seniority) to doctors and dentists who have demonstrated that they meet the standards
- Developing and supporting a membership of doctors and dentists at all career stages (including students); providing educational and training resources and leadership development opportunities including conferences, educational events and programmes
- Promoting, disseminating and contributing to the research evidence about leadership and leadership development in healthcare
- Supporting individuals, teams and organisations to improve their medical leadership, through interventions which include leadership development programmes, (psychometric) diagnostic tests, mentoring and coaching
- Acting as a designated body for revalidation, according to The Medical Profession (Responsible Officers) (Amendment) Regulations 2013. The regulations make specific provisions that FMLM act as Designated Body for the National Medical Director (and their deputies) of NHS England, of which it duly undertakes.

Examples of FMLM's leadership development programmes include 'Tomorrow's Strategic Leader', a multi-module programme aimed at new consultants/GPs and senior trainee doctors; and the College Office Bearers' programme, which helps experienced doctors hone their skills in preparation for a senior leadership role in one of the medical royal colleges, including the role of college president.

An example of FMLM's 2021 educational events include the annual international healthcare leadership conference, Leaders in Healthcare, held in person and online in November.

FMLM Applied provides tailored leadership development programmes for organisations and is a wholly owned trading arm of FMLM. It essentially operates as an independent consultancy with a separate board of directors, including at least one FMLM Trustee, and reports to the FMLM Board of Trustees.

FMLM also receives income from grant funding for research advertising on its website and, occasionally, from commercial partnerships.

Achievements and performance

Professionalising medical leadership

FMLM directs a major part of its work to improve patient care at the NHS and its medical workforce across the UK, and continues to engage with NHS England and NHS Improvement, the General Medical Council, Academy of Medical Royal Colleges, as well as individual medical royal colleges and faculties.

The year 2021 marked 10 years since FMLM's inception as a professional body and three years since it was established as an independent charity.

The third edition of the [FMLM Leadership and Management Standards for Medical Professionals](#) was published. It built on the individual competencies outlined in earlier editions and how they should be applied to the development of networks and more integrated patient care, as well as the health and wellbeing of local, regional and national populations. This aligned the Standards with the UK's new Health and Care Act (2022) as well as supporting an inclusive and diverse culture in healthcare.

FMLM began developing its [new five year strategy, 2022-2026](#), on which it consulted with stakeholders, including board members, fellows, the FMLM membership and key partners.

The FMLM team continued to award [FMLM Accreditation](#) to courses and programmes that met FMLM requirements on quality and adhered to the *FMLM Leadership and Management Standards for Medical Professionals*. More than 20 programmes, courses and medical school curricula now carry the FMLM marque to indicate high quality medical leadership teaching.

The introduction of the [FMLM Affiliated Organisations](#) initiative led to an excellent year of growth in 2021, where word of mouth and endorsement from NHS England and Improvement resulted in 12 organisations joining FMLM. The 12 affiliated organisations have set out to adopt the FMLM Standards and ensure the leadership and management component of their medical appraisal is fit for purpose. In addition, the organisations have benefited from their affiliation with the professional home for medical leadership through discounts on other FMLM services, including *FMLM Applied* work and *FMLM Accreditation*.

FMLM Applied

[FMLM Applied](#) operates independently to the FMLM charity and offers leadership and management expertise, as well as hands-on support, to teams, organisations, and systems. In 2021, FMLM Applied delivered 33 programmes to 21 different organisations. The programmes ranged from one day workshops to programmes with multiple workshops, coaching, and psychometric profiling. FMLM Applied worked with doctors and other healthcare leaders including medical directors, clinical directors, clinical leads, consultants, chief residents, and trainees. Programmes also involved multi-professional teams, including triumvirates of medical, nursing, and operational leaders.

Of the 21 organisations that FMLM Applied worked with, 16 were NHS organisations, including those funded by NHS England and Improvement. Other organisations included a royal college, a royal society, a

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pharmaceutical company and two educational organisations. FMLM Applied expanded its associate network by bringing in eight new associates.

Medical director participants on one of the FMLM Applied programmes took part in the annual international conference, delivering a workshop on their experiences of leading in a challenged trust, which was well received.

FMLM Applied appointed two associates on a retainer basis to help develop new offers; Dr Tony Berendt, former Medical Director at Oxford University Hospitals, an FMLM Founding Senior Fellow and Senior FMLM Applied Associate, is designing a spiral curriculum to offer trusts a template to guide the leadership development of their doctors at all levels, from new consultants to senior medical leaders. Dr Andy Haynes, a former strategic transformation partnership medical director, was appointed to lead the development of an offer around systems leadership, specifically within the new English integrated care systems that will further FMLM's understanding of the requirements of leaders to operate effectively within these new and complex systems.

FMLM research

In 2021, FMLM commenced two research projects and developed plans to expand its research work to enhance the organisation's impact and reputation. The first project focused on research into the role of medical directors and chief medical officers in the UK to develop a better understanding of an incumbent's progression to and experience in the role, as well as their thoughts on their future career. Results will be published in 2022. The second project secured a substantial research grant from the Dinwoodie Charitable Company to investigate what works in leadership development and assessment for postgraduate doctors in training. This work will also involve developing guidance and a train the trainer development programme. Work on these research projects is ongoing and will report in 2022.

In November 2021, FMLM's senior management team, along with selected associates and members of the FMLM Applied Board, and Finance, Audit and Remuneration Committee, came together to explore ways in which the FMLM charity and FMLM Applied can maintain and grow its products and services relevant for the ever-changing UK healthcare system. The potential need for investment was acknowledged and the committees agreed to the development of FMLM's research programme in 2022, to enhance knowledge of and FMLM's reputation in thought leadership and leadership development. There was agreement to invest in a range of market, business, and academic research to allow both the FMLM charity and FMLM Applied to:

- **Develop a reputation** as an organisation aware of the current issues and challenges facing healthcare and can translate this into effective developmental support for leaders, teams and organisations, with a particular focus on medical and clinical leadership
- **Build relationships** across healthcare and the research sector, to grow the evidence base to inform the practice and development of contemporary leadership
- **Create valued services and products** that utilise the knowledge base gained from research and relationships.

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Associates were appointed in 2021 and will lead on key areas of research, including programmes in integrated care systems (Dr Andy Haynes), primary care leadership (Dr Sarah Schofield), and medical leadership in organisations (Dr Tony Berendt). In 2021 FMLM identified then need for a Director of Corporate Services and designed a role to be advertised in 2022, to allow the current Chief Operating Officer (Ms Kirsten Armit) to significantly develop the research activities of FMLM.

FMLM continued to work with BMJ as joint owner of the online scientific journal, BMJ Leader, to which FMLM members have access as part of their membership.

Leadership development

The third cohort of FMLM's flagship leadership development programme, [Tomorrow's Strategic Leader](#), for senior trainees, early consultants and GPs, was delivered throughout 2021. The cohort, consisting of 15 participants from a range of secondary and primary care specialties, took part in six of the 10 delivery days. An interim evaluation of the programme indicated that 83 per cent of participants rated the programme four stars and above in a scale of one to five.

The seventh cohort of the *FMLM College Office Bearer's Leadership Development Programme* was delivered in 2021. Thirteen participants attended from a range of medical royal colleges and faculties. The programme reverted to mainly face to face delivery following easing of Covid-19 restrictions.

The first *FMLM College Council Leadership Development Programme* was delivered to 17 participants during 2021. The programme is designed to help new members of college councils to get the best from their roles. In 2021, the programme was delivered, online, over two half days, by a faculty of high-profile senior leaders drawn from the NHS and affiliated healthcare organisations. The programme evaluated well, with 75 per cent of respondents rating their overall satisfaction as four stars and above in a scale of one to five.

A new *Wales Connect and Support* programme commenced in late 2021. The programme, open to FMLM members in Wales, provided seven facilitated action learning sets, spread over seven months, with the intention that the group continue with self-facilitated monthly action learning sets.

FMLM's [Clinical Fellow Scheme](#) portfolio has significantly increased profile and scope throughout 2021. The portfolio is now comprised of seven schemes, six national and one regional.

Building on the established National Medical Director's, Chief Pharmaceutical Officer's, and Chief Dental Officer's Clinical Fellow Schemes, FMLM developed and launched additional clinical fellow schemes for the Chief Scientific Officer, Chief Sustainability Officer, Chief Nursing Officer, and the multi-profession NHS Regional Scheme. In total, 101 clinical fellows were appointed to FMLM-managed schemes in 2021.



To manage the new activity and volume, FMLM re-invested and completed major adaptations and improvements to scheme recruitment materials, processes, and platforms. Subsequent pre-launch and post recruitment phases can now track and report key information in real time and generate accurate information to support further development of established schemes and potential future opportunities within the FMLM-managed clinical fellow scheme portfolio.

Following an options appraisal and business case, FMLM deployed a learning management system (LMS) to deliver educational programmes throughout 2021 and in subsequent years to clinical fellows from England, Wales and Northern Ireland. The LMS is also providing a suite of available resources that are accessible beyond clinical fellowship and specifically to the [Clinical Fellow Scheme Alumni](#).

The [FMLM Medical Student Leadership Scheme](#) welcomed 11 students onto the programme in 2021. The student participants spent six weeks working in a national healthcare-affiliated organisation outside of clinical practice; the Scheme followed the style of national clinical fellow schemes. Host organisations which supported the Scheme, included: the Care Quality Commission, General Medical Council, Health Select Committee, Healthcare Quality Improvement Partnership, NHS England, and the Health Foundation. More than 90 per cent of students who responded to the evaluation survey rated the Scheme as five on a scale of one to five.

Annual international conference

The international conference in 2021 was delivered in a hybrid format with two days in person at the Barbican Centre in London, and two days online. The conference attracted 881 attendees from more than 30 countries, of which more than 71 per cent were paying delegates and 41 per cent were FMLM members. Delegates attended from around the world; the top three countries represented by registrations were the

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UK (from all four nations), Australia, and the USA. The event received an average of more than four out of five stars in the post-event evaluation, with outstanding highlights including networking, speed coaching, interactive workshops, and keynote speakers.

Membership

FMLM membership grew at an encouraging rate in a trend that has been in evidence since 2019. The launch of [FMLM International Membership](#) saw uptake from more than 20 countries, and details on a forthcoming FMLM International Fellowship were agreed. The end of the year saw the launch of our first mobile app, [FMLM Navigator](#), which became available for FMLM members to use. Applications for [FMLM Fellowship](#) continued to be received at an encouraging rate, given the healthcare pressures. Work to improve the fellowship application and assessment process, including the full digitisation of the application system, was completed, and resulted in an easier, more efficient system for both applicants and assessors.

Membership at the end of 2021 numbered 2,629 individual members (a 5.41% increase on 2020), including:

- Post-CCT (44.8%)
- Trainees (32.9%)
- Students (10.7%)
- Fellows (7.7%)
- Non-medical associates (1.8%)
- International (1.4%)
- Retired medical (0.7%)

The stated ethnicity of FMLM's total membership in 2021 remained similar in diversity to 2020; there was an increase in the proportion of members who did not declare their ethnicity:

- White (49.8%)
- Asian (20.3%)
- Black (4.9%)
- Mixed (2.8%)
- Arab (1.1%)
- Other/not stated (21.1%)

The gender split in FMLM's membership in 2021 showed a slight increase in the proportion of women:

- Male (55.9%)
- Female (44.0%)
- Not stated (0.1%)

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Beneficiaries of our services

The ultimate intended beneficiaries of FMLM's activities are patients, who benefit from better and safer care through better medical leadership. However, this is tenuous and difficult to measure.

The immediate beneficiaries of FMLM's services and activities are its membership, which mostly comprises doctors at all career stages from medical student to medical director and chief executive. At the end of 2021, FMLM had 2,629 members who had access to benefits including mentoring, the latest research in medical leadership through FMLM's jointly owned scientific journal, *BMJ Leader*, and access to a wide range of activities including conferences, webinars, and interest groups (such as medical students and trainee steering groups). FMLM measures its impact through membership surveys, which, due to the pandemic, have been reduced to a minimum to avoid the impact on doctors' time.

FMLM measures the impact of its leadership development programmes by the FMLM charity and FMLM Applied through qualitative and quantitative measures, including commissioned research into the impact of a programme, such as *Tomorrow's Strategic Leader*. FMLM Applied often returns to a client some months later to assess the longer-term impact of its earlier leadership development interventions.

Financial review

FMLM's results for the year are shown in the Statement of Financial Activities (SOFA).

The actual performance result for the year is an FMLM group net surplus of £531k (£489k for the FMLM charity).

A breakdown of income for FMLM:

- Professional body services, including membership and fellowship (23%)
- Development, education and training services (45%)
- Events (0.60%)
- FMLM Applied (28%)

The total FMLM group (FMLM charity, including FMLM Applied trading company) income for 2021 was £2,145k (£1,322k in 2020).

A breakdown of expenditure for FMLM:

- Professional body services, including membership and fellowship (5%)
- Development, education and training services (10.5%)
- Events (0.5%)
- FMLM Applied direct costs (17%)
- Staffing and related costs (53%)
- Other administrative costs (14%)

The total FMLM group expenditure for 2021 was £1,615k (£1,294k in 2020).

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The costs of all income generating activities were £150k (22%) below budget. The actual income generated was £351k (20%) above budget, this was largely due to several new clinical fellow schemes being added to the existing portfolio and raising an unbudgeted surplus. Staff costs, at £785k, the highest source of expenditure, were 16% higher than the prior year mostly due to the reimbursement of the staff salary sacrifice from 2020, plus additional staffing costs associated with HR, data protection and associate costs for growing and developing the primary care area.

Despite the ongoing impact of the pandemic as well as winter pressures, direct costs were kept to a minimum through significant team effort, and income exceeded budget in a number of key areas, which contributed to the positive outturn in performance.

Statement on fundraising

FMLM does not engage in public fundraising and does not use professional fundraisers or commercial participators. FMLM nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and FMLM received no complaints relating to its fundraising practice.

Principal risks and uncertainties

FMLM has reviewed and updated the key strategic risks identified in 2021 for the FMLM charity and FMLM Applied, which are summarised below.

Strategic risks

- 1. Staff wellbeing and impact on service delivery**
Staff continued working from home throughout 2021. The impact of this was possible risks to staff well-being (and their families) which could result in reduced service delivery and team connectivity. Regular team meetings, staff surveys, reviews of workspaces, access to an Employee Assistance Programme, online social events and regular check-ins ensured staff were supported and morale and team working remained high. An external organisation was contracted to review team structure and roles in 2021 which involved the whole team and culminated in a team away day towards the end of 2021. Despite the risk of Covid-19, attendance and engagement in team events remained stable and the team came together for the Leaders in Healthcare conference in November 2021.
- 2. FMLM Applied and leadership programmes – programme income and delivery**
Due to the ongoing impact of the pandemic, pressure for healthcare organisations to resume services, and government guidance restricting in person gatherings there was a risk FMLM Applied and other leadership development activity would be significantly reduced or cease. This was mitigated by regular communication with clients, Associates and participants to reschedule planned programmes or for programmes to be adapted for online delivery.

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3. FMLM Membership and Fellowship – income

There was risk that membership and fellowship income could fall as all existing and potential new members and fellows were impacted personally and professionally by the pandemic and therefore potentially may not have prioritised their membership or fellowship. However, at the end of 2021, membership numbers were higher than all previous years and the FMLM membership team applied contingencies to reduce the number of members who naturally leave each month and focused on new avenues via affiliated organisation membership and international membership, both still in their infancy in 2021.

4. FMLM governance – breach of deadlines and Trustee engagement

There was a risk that Trustee engagement could fall as we moved to online meetings. However, the move to online board meetings was welcomed and engagement remained stable. All reporting deadlines were met and FMLM processes which ensure that the governance risks of non-compliance with statutory reporting are low were robust. The Board also accepted a paper that significantly increased the engagement of stakeholders and members and proposed to replace Council, as previously constituted, thereby strengthening overall governance.

5. Leaders in Healthcare – loss of income and/or irretrievable high costs

In early 2021, there was uncertainty about whether the conference could go ahead as a face-to-face event due to the ongoing pandemic and government restrictions which would have had an impact on income. In addition, there may have been a risk of incurring irretrievable high venue costs should the event go ahead with reduced numbers. These risks were reduced significantly following negotiation with the venue and a lifting of government restrictions on indoor gatherings. The conference was held face to face, in line with government guidance in November 2021 with attendance of over 800 delegates.

Reserves policy

FMLM's activities, together with the factors likely to affect its future development, performance and financial position, are set out on pages 5 to 11. The financial position of FMLM, its cash flows, liquidity position pages 24 to 27.

FMLM continuously seeks to find and maintain new sources of income to further its activities and also mitigate any risk of over-reliance on major income streams.

The FMLM reserves policy is to hold on average half its annual expenditure £807k in reserve to enable FMLM to weather a temporary significant decrease in income and/or wind up the charity in an orderly manner, in line with best practice guidance for charities.

The FMLM reserves at 31 December 2021 were £1.3m. This represents five to six months' worth of the operational expenditure forecast for 2021. This policy may be reviewed in-year by Trustees where there is a strong business case for investment in critical FMLM activity that would lead to a reduction in reserves to less than six months operating costs.

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Going concern

The trustees having reviewed FMLM's financial position, the level of cash and reserves, together with the long-term projections, the systems of financial control and risk management in place, management's continued endeavours to deliver operational efficiencies, they believe FMLM is well placed to manage its business risks successfully. The trustees consider FMLM has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Trading subsidiary

FMLM's wholly owned trading subsidiary FMLM Applied's net profit for the year ended 31 December 2021 of £54k will be paid under gift aid to the charity in 2022. The principal activities of the company are providing high-quality clinical leadership development aimed at enhancing clinical leadership and engagement to improve patient care, creating and providing bespoke support programmes for individuals, teams and organisations.

The trading results and balance sheet of the subsidiary extracted from its accounts are set out in note 12 to the financial statements.

Plans for the future

FMLM celebrated its ten-year anniversary in 2021 and launched a refreshed five-year strategy. FMLM's plans for the charity in 2022 include:

- increasing membership beyond 2,500
- a two-day in-person or hybrid international conference in November
- building its international audience
- delivering high-impact national and regional activity
- continuing to support staff in new ways of working post pandemic

FMLM Applied's aims in 2022 include:

- further diversifying FMLM Applied's client base
- developing virtual and in-person leadership development offers

FMLM plans to commence delivery of its five-year strategy in 2022 and to continue to seek ways to further secure FMLM's long term financial stability.

Structure, governance and management

The Trustees of FMLM delegate day to day running of the charity to the senior management team (SMT):
Mr Peter Lees, FMLM Chief Executive
Ms Kirsten Armit, FMLM Chief Operating Officer
Dr Paul Evans, FMLM Medical Director

Trustees make decisions on the strategic direction of the charity, with a written strategy reviewed at least every five years. FMLM's previous strategy ran from 2016 to 2021. FMLM began developing its new five-

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year strategy, 2022-2026 in 2021 and this was approved at the Board of Trustees meeting in December 2021. The overall purpose of FMLM remains consistent but we have refined our vision the main areas of focus for the next five years were agreed as follows:

To deliver FMLM's vision, it has galvanised its main outputs into three areas:

1. The professionalisation of medical leadership
2. Improvement of the quality of leadership through evidence-based research
3. Leadership development.

In addition, FMLM proposes, over the next 5 years, to focus on:

Global sustainability and development of an 'FMLM green agenda' - Leadership will be crucial to drive forward the complex change programmes required to optimise effect on the health and wellbeing of future generations. As the professional home for medical leadership in the UK, FMLM is seeking to develop its 'green agenda' to:

Demonstrate commitment to creating a sustainable environment for health and healthcare

Incorporate 'green' philosophy into leadership development programmes, for example with the latest national clinical fellow scheme in collaboration with the NHS Chief Sustainability Officer for England

Create a culture of consideration of sustainability across the membership, with positive influence on the wider healthcare workforce.

Health and workforce inequalities – FMLM recognises the need to address evidence of health and workforce inequalities in terms of access and opportunity, outcomes and attainment; leadership is crucial to drive this change and secure improvement for patients and the workforce.

Expansion of Membership – Since its inception, FMLM has been a faculty that has supported the leadership of doctors and dentists at all career stages. However, there is a justified case to consider broadening the 'membership' of FMLM to include other clinical professionals, as leadership within healthcare is multi-professional and FMLM Standards are very generic. The expansion of national clinical fellow schemes to include pharmacists as well as doctors and dentists has started to introduce this concept, and the Regional Clinical Fellow Scheme will include participation of all clinical disciplines. In addition, the introduction of a scheme for clinical fellow alumni supports this expansion. Therefore, FMLM intends to explore the widening of membership, although due recognition of the individual professional bodies would be necessary.

Financial decision-making and assessment of risks are first reviewed by the Finance, Audit and Risk (FAR) Committee, a sub-committee of the Board of Trustees. The FAR committee makes recommendations to the board on budget setting, staff remuneration, investment strategy, reserves policy and risk management. In 2021 the FAR committee was chaired by Lay Trustee, Mrs Nargis Ara-Ranaldi and members were Treasurer Ms Jenny Ehrhardt, Lay Trustee Mr Dave Bennett, and the Senior Management Team were in attendance.

The organisation is a charitable company limited by guarantee, incorporated on 31 May 2018 and registered as a charity on 12 June 2018.

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The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association. FMLM commenced a review of its Articles of Association and creating Standing Orders in 2021 to reflect the evolving needs of the organisation. The Board agreed that the Articles should be amended to ensure the FMLM has a fit-for-purpose document that is future-proofed and enables the recently agreed enhancements to the governance structures.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Remuneration policy for key management personnel

In line with charity best practice, the FMLM Remuneration Committee is responsible for setting the pay for roles at the executive director level of organisation, ie the Chief Executive, Chief Operating Officer and Medical Director.

While the Remuneration Committee is not responsible for setting the pay of individual staff members below the executive level, it may take a view in liaising with the Finance, Audit and Risk Committee on guidance to the Board on pay rates and annual pay rises at the aggregate level.

Setting the FMLM pay policy:

The FMLM executive pay policy aims to attract and retain staff of the appropriate calibre and experience to lead FMLM. The pay policy sets out how pay is determined and what factors have been taken into account, these include:

- any comparators against which the pay of senior staff is benchmarked
- how FMLM's income, performance and forecasts will affect pay settlements
- FMLM's track record in recruitment, retention and performance of senior staff

The pay policy is reviewed annually, taking into account past and projected performance.

Senior staff remuneration, ie the SMT, was determined by the Board of Trustees based on recommendations from the remuneration committee. Pay for all other staff within FMLM is normally reviewed annually, based on organisation business performance, affordability and market comparisons.

At the end of 2021, FMLM had three members of staff who earned more than £60,000 a year.

Appointment of trustees

FMLM Trustees are appointed as follows:

Chair – nominated and voted in by eligible members of FMLM

Lay Trustees – open competitive recruitment (advert and interviews)

Ordinary Trustees – appointed by the FMLM Board of Trustees

Treasurer – appointed by the Board of Trustees

Co-opted Trustees – appointed by the Board of Trustees

Trustees' annual report

For the year ended 31 December 2021

The FMLM Council was the professional decision-making body of FMLM and represented the membership. In July 2021, the Board accepted a paper that significantly increased the engagement of stakeholders and members and proposed to replace Council, as previously constituted. Six new committees were recommended which followed the format and style of FMLM's well-established and successful committees, such as the Finance and Resources Committee (FAR), the Standards Certification and Award Committee (SCAC), and the Revalidation and Appraisal Advisory Committee (RAAG). It was agreed that a new Professional Oversight Committee would be established to oversee the new sub-committees.

Trustee induction and training

Every FMLM Trustee receives an induction pack with information about the charity's governing document, key business areas and personnel, strategic plan, annual business plan and budget, committee structure and reporting lines. Trustees are also invited to meet staff from each business area to build an understanding of the work of the charity and how it meets its charitable aims through its support to members and wider activity.

Trustees receive information about their responsibilities as charity trustees and company directors, including copies of *The essential trustee: what you need to know, what you need to do* and *It's your decision: charity trustees and decision making*, essential guides from the Charities Commission.

Trustees are supported by the Board Secretary, a role which was performed by the Head of Corporate Affairs in 2021 and will be undertaken by the Director of Corporate Services (DCS) in 2022. The new DCS will be expected to support the Chair Elections and recruitment of any new trustees in 2022. The election and recruitment processes will be overseen by specific members of the Board.

Related parties and relationships with other organisations

FMLM Applied is a wholly owned subsidiary of FMLM the charity. It is a company limited by shares and its only shareholder is FMLM. FMLM Applied principally delivers leadership development programmes to organisations to help develop their medical leaders to improve patient care and safety. It delivers the programmes through a network of medical and non-medical leadership development professionals and is run on a day-to-day basis by the FMLM Chief Operating Officer and Chief Executive.

The FMLM Applied Board is chaired by Stephen Brooks, who previously sat on the FMLM Board as a Lay Trustee and has extensive consultancy experience. Other members of the FMLM Applied Board are:

Mr Peter Lees, FMLM Chief Executive

Dr Iain Wallace, former FMLM Chair

Ms Kirsten Armit, FMLM Chief Operating Officer

Ms Jenny Ehrhardt FMLM Treasurer

Mr Jamie Ward, Independent of FMLM, with significant leadership development experience

100% of the profits from FMLM Applied are gift aided to FMLM the charity.

Funds held as custodian trustee on behalf of others

Founded in 2016 by two NHS clinicians, TEDxNHS is the world's largest TEDx event license holder – representing the 1.5 million people who work across health and social care. Organised by the NHS for the NHS, TEDxNHS operates on a fully not-for-profit basis, with a multidisciplinary team of volunteers, made up of NHS staff from across the UK.

TEDx NHS is a movement and does not have a corporate body or finance function, so is unable to receive income or pay invoices. FMLM as a strategic partner of TEDx NHS provides basic finance services and holds funds for TEDx NHS to enable each annual event to run. Typical financial transactions include hire fees for the event venue and ticket receipts from attendees. FMLM does not charge a fee for its services but is recognised as a strategic partner in all event marketing.

Through FMLM's role as an incorporated body and in support of work led by National Clinical Fellows, FMLM provides financial handling services to the Empowering Student Leadership in Healthcare (ESLIH). This includes receiving and holding ESLIH funds, issuing invoices on behalf of ESLIH and paying invoices owed by ESLIH. These funds are kept separate from FMLM's accounts as they do not form part of FMLM's income, expenditure or funds. FMLM benefits from contributing to and being associated with ESLIH as a supporting partner.

Statement of responsibilities of the trustees

The trustees (who are also directors of Faculty of Medical Leadership and Management for the purposes of company law) are responsible for preparing the trustees' annual 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

Trustees' annual report

For the year ended 31 December 2021

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2021 was nine (2020: nine). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 20 July 2022 and signed on their behalf by

Nargis Ara-Ranaldi
Chair of Finance, Audit and Risk Committee
Board of Trustees

Independent auditor's report

For the year ended 31 December 2021

Independent auditor's report to the members of Faculty of Medical Leadership and Management

Opinion

We have audited the financial statements of Faculty of Medical Leadership and Management (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 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 group's and of the parent charitable company's affairs as at 31 December 2021 and of the group's 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company 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 trustees' 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 Faculty of Medical Leadership and Management'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 trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

For the year ended 31 December 2021

Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group 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 the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors 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' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the year ended 31 December 2021

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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 group'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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

Independent auditor's report

For the year ended 31 December 2021

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Joanna Pittman (Senior statutory auditor)

21 September 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

Faculty of Medical Leadership and Management

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2021

	Note	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Income from:							
Donations and legacies	2	36,190	30,151	66,341	12,372	195,000	207,372
Charitable activities							
Professional body services	3	471,602	–	471,602	397,671	–	397,671
Development, education & training							
Services	3	979,552	10,462	990,014	285,037	28,505	313,542
FMLM events	3	12,682	–	12,682	43,579	–	43,579
Other trading activities	4	605,000	–	605,000	359,924	–	359,924
Investments		–	–	–	2	–	2
Total income		2,105,026	40,613	2,145,639	1,098,585	223,505	1,322,090
Expenditure on:							
Raising funds (including costs of trading)	5	568,446	–	568,446	352,625	–	352,625
Charitable activities							
Professional body services	5	379,442	–	379,442	292,423	–	292,423
Development, education & training							
Services	5	441,175	59,811	500,986	375,296	161,465	536,761
FMLM events	5	165,854	–	165,854	111,820	–	111,820
Total expenditure		1,554,917	59,811	1,614,728	1,132,165	161,465	1,293,630
Net movement in funds and net income/(expenditure) for the year	6	550,109	(19,198)	530,911	(33,580)	62,040	28,460
Reconciliation of funds:							
Total funds brought forward		794,326	63,572	857,898	827,906	1,532	829,438
Total funds carried forward		1,344,435	44,374	1,388,809	794,326	63,572	857,898

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Balance sheets

Company no. 11390175

As at 31 December 2021

	Note	The group 2021 £	2020 £	The charity 2021 £	2020 £
Fixed assets:					
Tangible assets	11	–	19,873	–	19,873
Investment in subsidiary		–	–	1	1
		–	19,873	1	19,873
Current assets:					
Debtors	14	770,038	386,545	459,282	370,665
Cash at bank and in hand		1,441,423	1,075,479	1,130,059	575,637
		2,211,461	1,462,024	1,589,341	946,302
Liabilities:					
Creditors: amounts falling due within one year	15	(822,652)	(623,999)	(255,429)	(121,466)
Net current assets		1,388,809	838,025	1,333,912	824,836
Total net assets		1,388,809	857,898	1,333,913	844,709
Funds:	18				
Restricted income funds		44,374	63,572	44,374	63,572
Unrestricted income funds:					
General funds		1,344,435	794,326	1,289,539	781,137
Total unrestricted funds		1,344,435	794,326	1,289,539	781,137
Total funds		1,388,809	857,898	1,333,913	844,709

Approved by the trustees on 20 July 2022 and signed on their behalf by

Nargis Ara-Ranaldi
Trustee

Consolidated statement of cash flows

For the year ended 31 December 2021

	Note	2021 £	£	2020 £	£
Cash flows from operating activities					
Net income for the reporting period (as per the statement of financial activities)		530,911		28,460	
Depreciation charges		19,873		19,872	
Dividends, interest and rent from investments		–		(2)	
(Increase)/decrease in debtors		(383,493)		83,023	
Increase/(decrease) in creditors		198,653		187,287	
Net cash provided by operating activities			365,944		318,640
Cash flows from investing activities:					
Dividends, interest and rents from investments		–		2	
Net cash (used in) investing activities			–		2
Change in cash and cash equivalents in the year			365,944		318,642
Cash and cash equivalents at the beginning of the year			1,075,479		756,837
Cash and cash equivalents at the end of the year			1,441,423		1,075,479

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies

a) Statutory information

Faculty of Medical Leadership and Management is a charitable company limited by guarantee and is incorporated in England. The registered office address is 34 Red Lion Square, London, United Kingdom, WC1R 4SG.

b) Basis of preparation

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary FMLM Applied Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees, having reviewed FMLM's financial position and the level of cash and reserves, consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision, of a specified service, (including membership, development services, training, events and consultancy) is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

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.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the running commercial consultancy activity through FMLM Applied.
- Expenditure on charitable activities includes the costs of delivering services to our members undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

- | | |
|--|-----|
| • Professional body services | 27% |
| • Development, education & training Services | 39% |
| • FMLM Events | 14% |
| • Raising funds (including costs of trading) | 20% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--------------------------|---------|
| • Fixtures and fittings | 3 years |
| • Leasehold improvements | 3 years |

l) Investments in subsidiaries

Investments in subsidiaries are at cost.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

q) Pensions

The charitable company operates a defined contribution scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

Notes to the financial statements

For the year ended 31 December 2021

2 Income from donations and legacies

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Donations	418	–	418	1,200	–	1,200
Grant income	35,772	30,151	65,923	11,172	165,000	176,172
Legacies	–	–	–	–	30,000	30,000
	36,190	30,151	66,341	12,372	195,000	207,372

3 Income from charitable activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Membership income	377,364	–	377,364	312,948	–	312,948
BMJ Leader journal	20,844	–	20,844	13,182	–	13,182
Fellowship	14,630	–	14,630	12,850	–	12,850
Revalidation and appraisal fees	58,764	–	58,764	58,691	–	58,691
Sub-total for Professional body services	471,602	–	471,602	397,671	–	397,671
National Medical Director Clinical Fellowship Scheme	166,394	–	166,394	201,379	–	201,379
Chief Pharmaceutical Officer Clinical Fellowship Scheme	82,635	–	82,635	59,446	–	59,446
Chief Dental Officer Clinical Fellowship Scheme	39,120	–	39,120	7,282	–	7,282
Chief Nursing Officer's Clinical Fellowship Scheme	87,564	–	87,564	–	–	–
Chief Sustainability Officer's Clinical Fellowship Scheme	48,197	–	48,197	–	–	–
Regional Clinical Fellowship Scheme	323,652	–	323,652	–	–	–
Clinical Fellowship Scheme Alumni	126,427	–	126,427	–	–	–
Chief Scientific Officer's Clinical Fellowship Scheme	26,099	–	26,099	–	–	–
CPD and Accreditation	8,099	–	8,099	10,801	–	10,801
Other income from Development services	13,757	–	13,757	6,129	–	6,129
College Council Members Programme Income	2,925	–	2,925	–	–	–
Coaching Skills Workshop Income	2,027	–	2,027	–	–	–
College Officers Programme	16,656	–	16,656	–	–	–
Royal College of Physicians/Faculty of Medical Leadership and Management events	36,000	10,462	46,462	–	28,505	28,505
Sub-total for development, education & training services	979,552	10,462	990,014	285,037	28,505	313,542
Conference	10,557	–	10,557	32,405	–	32,405
Other events	2,125	–	2,125	11,174	–	11,174
Sub-total for FMLM events	12,682	–	12,682	43,579	–	43,579
Total income from charitable activities	1,463,836	10,462	1,474,298	726,287	28,505	754,792

4 Income from other trading activities

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Advertising	3,000	–	3,000	4,598	–	4,598
Consultancy	602,000	–	602,000	355,326	–	355,326
	605,000	–	605,000	359,924	–	359,924

5a Analysis of expenditure (current year)

		Charitable activities						
	Raising funds (including costs of trading) £	Professional body services £	Development , education & training Services £	FMLM Events £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Staff costs (Note 7)	211,856	188,808	168,191	97,099	23,356	95,945	785,255	676,195
Temporary staff costs	-	-	-	-	-	17,125	17,125	17,051
Other staff costs	-	-	-	-	-	75,529	75,529	24,217
Consultancy costs	269,009	-	-	-	-	-	269,009	119,138
Journal costs	-	49,302	-	-	-	-	49,302	49,672
Revalidation and appraisal costs	-	23,100	-	-	-	-	23,100	26,838
Clinical Fellowship Scheme costs	-	-	123,807	-	-	-	123,807	26,713
Development services costs	-	-	21,339	-	-	-	21,339	3,557
Education and training costs	-	-	18,134	-	-	-	18,134	5,647
Career development costs	-	-	(30,712)	-	-	-	(30,712)	143,162
Other events costs	-	-	29,447	7,449	-	-	36,896	21,946
Marketing	-	-	-	-	-	12,461	12,461	9,829
Rent and facilities charges	-	-	-	-	-	75,969	75,969	59,040
IT and office costs	-	-	-	-	-	45,147	45,147	44,568
Legal and professional fees	-	-	-	-	-	47,273	47,273	11,489
Travel and subsistence	-	-	-	-	-	1,984	1,984	4,136
Other costs	-	-	-	-	-	23,237	23,237	30,560
Depreciation	-	-	-	-	-	19,873	19,873	19,872
	480,865	261,210	330,206	104,548	23,356	414,543	1,614,728	1,293,630
Support costs	82,910	111,926	161,671	58,036	-	(414,543)	-	-
Governance costs	4,671	6,306	9,109	3,270	(23,356)	-	-	-
Total expenditure 2021	568,446	379,442	500,986	165,854	-	-	1,614,728	-

5b Analysis of expenditure (prior year)

	Raising funds (including costs of trading) £	Charitable activities				Governance costs £	Support costs £	2020 Total £
		Professional body services £	Development, education & training services £	FMLM Events £				
Staff costs (Note 7)	184,859	150,265	244,555	74,137	22,379	-	-	676,195
Temporary staff costs	-	-	-	-	-	17,051	-	17,051
Other staff costs	-	-	-	-	-	24,217	-	24,217
Consultancy costs	119,138	-	-	-	-	-	-	119,138
Membership costs	-	-	-	-	-	-	-	-
Journal costs	-	49,672	-	-	-	-	-	49,672
Revalidation and appraisal costs	-	26,838	-	-	-	-	-	26,838
Clinical Fellowship Scheme costs	-	-	26,713	-	-	-	-	26,713
Development services costs	-	-	3,557	-	-	-	-	3,557
Education and training costs	-	-	5,647	-	-	-	-	5,647
Career development costs	-	-	143,162	-	-	-	-	143,162
Other events costs	-	-	18,303	3,643	-	-	-	21,946
Marketing	-	-	-	-	-	9,829	-	9,829
Rent and facilities charges	-	-	-	-	-	59,040	-	59,040
IT and office costs	-	-	-	-	-	44,568	-	44,568
Legal and professional fees	-	-	-	-	-	11,489	-	11,489
Travel and subsistence	-	-	-	-	-	4,136	-	4,136
Other costs	-	-	-	-	-	30,560	-	30,560
Depreciation	-	-	-	-	-	19,872	-	19,872
	303,997	226,775	441,937	77,780	22,379	220,762	-	1,293,630
Support costs	44,152	59,606	86,097	30,907	-	(220,762)	-	-
Governance costs	4,476	6,042	8,728	3,133	(22,379)	-	-	-
Total expenditure 2020	352,625	292,423	536,762	111,820	-	-	-	1,293,630

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	19,873	19,872
Interest payable	200	100
Operating lease rentals:		
Property	49,053	48,243
Other	1,162	1,268
Auditor's remuneration (excluding VAT):		
Audit	8,650	8,250
Other services	2,100	2,850
	<u>785,255</u>	<u>676,195</u>

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	667,778	575,127
Social security costs	76,900	64,886
Employer's contribution to defined contribution pension schemes	40,577	36,182
	<u>785,255</u>	<u>676,195</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 No.	2020 No.
£70,000 – £79,999	–	2
£80,000 – £89,999	2	–
£110,000 – £119,999	–	1
£130,000 – £139,999	1	–
	<u>1</u>	<u>–</u>

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £345,893 (2020: £297,008).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £0 (2020: £4,266.20) incurred by 0 members (2020: 5) relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 13 (2020: 11).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2021 No.	2020 No.
Raising funds	2.2	2.8
Professional body services	3.2	2.5
Development, education & training services	2.9	4.3
FMLM events	1.5	1.2
Support	2.4	0.3
	12.1	11.1

9 Related party transactions

There are no related party transactions to disclose for 2021 (2020: none).

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary FMLM Applied Limited gift aids available profits to the parent charity. Its charge to corporation tax in the year was:

	2021 £	2020 £
UK corporation tax at 19% (2020: 19%)	–	59

The amount recognised in 2020 is for the corporation tax charged on the 2019 profits. The cost was recognised in 2020, in line with the FMLM Applied Limited accounts.

11 Tangible fixed assets**The group and charity**

	Fixtures and fittings £	Leasehold improvement £	Total £
Cost			
At the start of the year	1,560	58,057	59,617
Additions in year	–	–	–
At the end of the year	1,560	58,057	59,617
Depreciation			
At the start of the year	1,040	38,704	39,744
Charge for the year	520	19,353	19,873
At the end of the year	1,560	58,057	59,617
Net book value			
At the end of the year	–	–	–
At the start of the year	520	19,353	19,873

12 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of FMLM Applied Ltd, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. Kirsten Armit and Jenny Ehrhardt are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	602,000	355,326
Cost of sales	(266,355)	(106,388)
Gross profit	335,645	248,938
Administrative expenses	(18,502)	(21,289)
Management charge payable to parent undertaking	(262,247)	(214,401)
Profit / (loss) on ordinary activities before taxation	54,896	13,248
Tax paid	–	(59)
Profit / (loss) for the financial year	54,896	13,189
Retained earnings		
Total retained earnings brought forward	13,189	162,946
Profit / (loss) for the financial year	54,896	13,189
Distribution under Gift Aid to parent charity	(13,188)	(162,946)
Total retained earnings carried forward	54,897	13,189
The aggregate of the assets, liabilities and funds was:		
Assets	707,692	673,865
Liabilities	(652,795)	(660,676)
Funds	54,897	13,189

Amounts owed to/from the parent undertaking are shown in note 15.

13 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021 £	2020 £
Gross income	1,819,074	1,344,110
Result for the year	489,204	178,217

14 Debtors

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	720,453	214,159	409,697	213,168
Other debtors	16,025	8,295	16,025	8,729
Accrued income	33,560	164,091	33,560	148,768
	770,038	386,545	459,282	370,665

15 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	86,643	12,973	58,682	13,605
Amounts owed to subsidiary	–	–	16,307	3,632
Taxation and social security	42,492	44,581	27,131	20,082
Accruals	94,088	71,889	94,088	71,889
Deferred income (note 16)	592,938	491,924	52,879	10,462
Other creditors	6,491	2,632	6,342	1,796
	822,652	623,999	255,429	121,466

16 Deferred income

Deferred income comprises membership fees, development, education & training services fees and fees for consultancy work received in advance.

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Balance at the beginning of the year	491,924	160,453	10,462	40,306
Amount released to income in the year	(491,924)	(160,453)	(10,462)	(40,306)
Amount deferred in the year	592,938	491,924	52,879	10,462
Balance at the end of the year	592,938	491,924	52,879	10,462

17a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	–	–	–	–
Net current assets	1,344,435	–	44,374	1,388,809
Net assets at 31 December 2021	1,344,435	–	44,374	1,388,809

17b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	19,873	–	–	19,873
Net current assets	774,453	–	63,572	838,025
Net assets at 31 December 2020	794,326	–	63,572	857,898

18a Movements in funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Expert Leadership Development Programme	11,734	10,462	(29,447)	–	(7,251)
Career Development for Medical Leaders	21,838	30,151	(30,364)	–	21,625
Career Development for UK doctors registered with the General Medical Council	30,000	–	–	–	30,000
Total restricted funds	63,572	40,613	(59,811)	–	44,374
Unrestricted funds:					
General funds	794,326	2,105,026	(1,554,917)	–	1,344,435
Total unrestricted funds	794,326	2,105,026	(1,554,917)	–	1,344,435
Total funds	857,898	2,145,639	(1,614,728)	–	1,388,809

18b Movements in funds (prior year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Expert Leadership Development Programme	1,532	28,505	(18,303)	–	11,734
Career Development for Medical Leaders	–	165,000	(143,162)	–	21,838
Career Development for UK doctors registered with the General Medical Council	–	30,000	–	–	30,000
Total restricted funds	1,532	223,505	(161,465)	–	63,572
Unrestricted funds:					
General funds	827,906	1,098,585	(1,132,165)	–	794,326
Total unrestricted funds	827,906	1,098,585	(1,132,165)	–	794,326
Total funds	829,438	1,322,090	(1,293,630)	–	857,898

18b Movements in funds (prior year continued)**Expert Leadership Development Programme**

A grant provided by the Dinwoodie Charitable Company in respect of the delivery of an Expert Leadership Development Programme. The aim of the project is to design and deliver a unique bespoke programme of leadership and management development which is generalisable across the profession to guarantee a healthy pipeline of doctors prepared and well equipped to take on major roles in leading health services in the UK, and to undertake a detailed evaluation of the programme to include measurement of the change in leadership capability of the participants.

Career Development for Medical Leaders

A grant provided by the Dinwoodie Charitable Company in respect of the delivery of an online learning platform for medical leadership and management training for the medical profession. The aim of the project is to develop a fully interactive digital toolkit which will provide a comprehensive 'cradle to grave' career map with links to a broad collection of educational materials and advice for doctors to develop as medical leaders. In addition it is intended that this resource will provide support to doctors having to meet the compulsory requirements of revalidation specifically with regard to the domain of leadership.

Career Development for UK doctors registered with the General Medical Council

A fund to be used for the enhancement of the management and leadership skills and abilities of individual UK doctors registered with the General Medical Council. To be used to increase the leadership and management experience, skills and abilities by gaining experience of the healthcare systems in nations or regions in which the individuals do not currently work.

19 Operating lease commitments

The charity and group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	49,053	44,223	1,162	1,162
One to five years	66,375	–	–	–
	115,428	44,223	1,162	1,162

20 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

Accounts

Company number: 11390175

Charity number: 1178741

Faculty of Medical Leadership and Management

Annual Report and Financial Statements

For the year ended 31 December 2020

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For the year ended 31 December 2020

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Faculty of Medical Leadership and Management

Reference and administrative information

For the year ended 31 December 2020

Company number 11390175

Charity number 1178741

Registered office and operational address 34 Red Lion Square
London, WC1R 4SG

Country of registration England & Wales

Country of incorporation United Kingdom

Trustees

Professor Mayur Lakhani	Chair (appointed Chair 1 January)
Ms Jenny Ehrhardt	Treasurer (appointed 1 June 2017)
Dr Philip Kloer	Ordinary Trustee (appointed 18 June 2019)
Mr Alastair Henderson	Ordinary Trustee (appointed 30 March 2019)
Dr Taj Hassan	Ordinary Trustee (appointed 1 April 2017)
Prof William Roche	Ordinary Trustee (appointed 2011)
Prof Bee Wee	Co-opted Trustee (appointed 26 November 2019)
Prof Kamila Hawthorne	Co-opted Trustee (appointed 26 November 2019)
Ms Nargis Ara-Ranaldi	Lay Trustee (appointed 1 November 2019)
Mr Mark Spragg	Lay Trustee (appointed 1 November 2019)
Mr David Bennett	Lay Trustee (appointed 1 November 2019)

Honorary Trustee	Prof Stephen Powis	(appointed 18 June 2019)
Observer/advisor	Mr Tom Grinyer	(appointed 1 January 2019)

Key management personnel	Mr Peter Lees	Chief Executive
	Ms Kirsten Armit	Chief Operating Officer
	Dr Paul Evans	Medical Director

Bankers Charities Aid Foundation Bank (CAF Bank Limited)
25 Kings Hill Avenue
Kings Hill, West Malling,
Kent ME19 4JQ

Solicitors Bates Wells
10 Queen Street Place
London
EC4R 1BE

Faculty of Medical Leadership and Management

Reference and administrative information

For the year ended 31 December 2020

Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL
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Chair's Foreword

This has been a challenging year for leadership of any kind, but especially medical and clinical leadership in healthcare, due to the Covid-19 pandemic.

Sustainability was at the forefront of FMLM's plans throughout the year, to safeguard our position in shaping the future of professional medical leadership, while continuing to support doctors and dentists to lead teams and services in extremely complex times.

The events of 2020 have presented a big moment for medicine and healthcare services, one which proposes a reset in the relationship between clinicians, health services and society, where compassionate and collaborative clinical leadership is celebrated, seen as positive and enlightened, and firmly established in the DNA of our healthcare system.

The key to the recovery of our healthcare services from the aftermath of Covid-19 is medical and clinical leadership. Doctors have a key role to play in that recovery and our priority continues to be their support and development.

Professor Mayur Lakhani CBE
FMLM Chair

Chief Executive's Introduction

In the year prior to FMLM's 10th anniversary, we had not expected healthcare's VUCA (volatile, uncertain, complex and ambiguous) moment to emerge in so sudden and absolute a manner. Of course, no one organisation or system was absolutely ready.

As a compact, more agile body than most are able to be, we were fortunate in our ability to change tack and move swiftly to safeguard our work, services, our colleagues and ultimately our organisation. By early March, a week before the first lockdown was announced, the team had fully established our virtual home for medical leadership, from which we have been delivering successfully, since.

The needs of FMLM's membership were placed first and foremost, and we set out to ensure our leadership development, support and guidance remained relevant to the crisis, accessible and 'smart'. Along with our jointly owned journal, *BMJ Leader*, we made sure content and resources were freely available to all who needed them and rescheduled and redesigned our development programmes at the request of our frontline colleagues.

Our proudest moment was supporting our medical clinical fellows and alumni to break from their current programmes and answer the call to either return to the frontline or take on critical strategic support roles during the first wave of the pandemic. This was leadership in action, the embodiment of FMLM's vision and objectives.

Our biggest strategic success was our annual conference with BMJ, *Leaders in Healthcare 2020*, which took place virtually and attracted the largest, most diverse audience to date. Just under 1,000 delegates from more than 40 countries joined four days of inspiring discussion and workshops. We were also able to offer all recorded conference content for a further six months, benefiting many colleagues who were unable to break away from clinical duties.

Our greatest sadness was the untimely death of our founding chairman, Professor Sir Neil Douglas, who had been ill with cancer and died in August. His legacy lives on in all that FMLM has and will continue to achieve on behalf of all doctors, dentists and clinical leaders aspiring for the best for patients. Our thoughts, too, are with families and colleagues of other, valued medical leaders whom we have lost over the year.

FMLM continues to grow as a community – which has been crucial in these VUCA times - and we shall ensure we will do everything in our power to provide the support our members and fellows need and value most.

Thank you.

Mr Peter Lees
FMLM Chief Executive

Trustees' annual report

For the year ended 31 December 2020

The trustees present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The objects of FMLM are:

- (a) for the public benefit, to advance education and knowledge in the field of Medical leadership and management and promote research in all aspects of the subject and to publish the useful results; and
- (b) for the public benefit, to advance health through setting the highest professional standards and competences for Medical leadership, management and quality improvement, the main activities undertaken in relation to those purposes.

FMLM meets these charitable objects and achieves public benefit through a range of activities including the following:

- Set the standards for medical leadership and award fellowships against these standards.
- Provide membership services including access to the latest research in medical leadership and management, mentoring and online development opportunities, such as webinars.
- Contribute to the research base for medical leadership and management.
- Annual international and national conferences to promote best evidence-based best practice.

Mission statement:

FMLM will work to establish its role as the professional home for medical leadership and promote excellence in leadership on behalf of all doctors in public health, mental health, primary and secondary care, from medical student to medical director and chief executive, and for all UK healthcare providers and healthcare related organisations in all sectors.

Vision and core values:

The vision of the organisation is 'to inspire and promote excellence in medical leadership to drive continuous improvement in health and healthcare in the UK.'

FMLM works to professionalise medical leadership by setting and benchmarking against standards that are aligned with the General Medical Council's Good Medical Practice and underpinned by the research evidence linking leadership to quality of care and patient outcomes.

Trustees' annual report

For the year ended 31 December 2020

The year to 31 December 2020 was the fourth of the five-year 2017/21 strategy and the second as a registered charity. The performance and achievements in the year are summarised below.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

FMLM's main activities include:

- Establishing and maintaining professional standards of leadership; assessing individuals against these standards; awarding fellowship (at three levels of seniority) to doctors and dentists who have demonstrated that they meet the standards.
- Developing and supporting a membership of doctors and dentists at all career stages (including students); providing educational and training resources and leadership development opportunities including conferences, educational events and programmes.
- Promoting, disseminating and contributing to the research evidence about leadership and leadership development in healthcare.
- Supporting individuals, teams and organisations to improve their medical leadership, through interventions which include leadership development programmes, (psychometric) diagnostic tests, mentoring and coaching.
- Acting as a designated body for revalidation, according to The Medical Profession (Responsible Officers) (Amendment) Regulations 2013. The regulations make specific provisions that FMLM act as Designated Body for the National Medical Director (and their deputies) of NHS England, of which it duly undertakes.

Examples of FMLM's leadership development programmes include 'Tomorrow's Strategic Leader', a multi-module programme aimed at new consultants/GPs and senior trainee doctors; and the College Office Bearers' programme, which helps experienced doctors hone their skills in preparation for a senior leadership role in one of the medical royal colleges, including the role of college president.

An example of FMLM's 2020 educational events include the annual international healthcare leadership conference, Leaders in Healthcare, held online in November.

FMLM Applied provides tailored leadership development programmes for organisations and is a wholly owned trading arm of FMLM. It essentially operates as an independent consultancy with a separate board of directors, including at least one FMLM Trustee, and reports to the FMLM Board of Trustees.

Trustees' annual report

For the year ended 31 December 2020

FMLM also receives income from advertising on its website and, occasionally, from commercial partnerships.

Achievements and performance

Professionalising medical leadership

FMLM directs a major part of its work to improve patient care at the NHS and its medical workforce across the UK, and continues to engage with NHS England and NHS Improvement, the General Medical Council, Academy of Medical Royal Colleges, as well as individual medical royal colleges and faculties. Outside of the NHS, FMLM engages with pharmaceutical, occupational and voluntary sector healthcare, including the Royal Osteoporosis Society.

Work was undertaken with trustees and the Standards Certification and Awards Committee to revise the [FMLM Leadership and Management Standards for Medical Professionals](#) to encompass population health policy and align the standards with the three levels of [FMLM Fellowship](#).

The accreditation scheme launched in 2019 for programmes which embed FMLM's [Medical Leadership and Management Indicative Undergraduate Curriculum](#) accredited four programmes in 2020: Warwick Medical School was the first, followed by Leeds, Cambridge and Plymouth. Applications for medical school accreditation have halted due to the disruption of the pandemic on teaching and pressure on faculty.

Throughout 2020, work was undertaken to develop a new model of leadership support for medical leaders in healthcare organisations and help align a range of bespoke assistance with the *Leadership and Management Standards for Medical Professionals*; FMLM is expected to launch *Affiliated Organisations* early in 2021.

Executive working groups in Scotland and Wales have continued to support FMLM's work in medical leadership development, but conference events planned in Edinburgh and Cardiff in early and mid-2020 were postponed due to the pandemic.

Leadership development

FMLM continued to work in partnership with NHS organisations, medical royal colleges and healthcare societies as well as pharmaceutical, occupational and voluntary sector healthcare to deliver a range of tailored leadership programmes and workshops to doctors at all stages of the medical career.

FMLM provides mentoring services to members who request it and offers both members and non-members access to executive coaching through the FMLM coaching network. In 2020, FMLM provided free access to sample 'speed coaching' sessions to around 200 self-selecting members and non-members, from all grades, who were attending FMLM online conferences and events.

The second cohort of FMLM's flagship leadership development programme, [Tomorrow's Strategic Leader](#), for senior trainees and early consultants and GPs, was delivered throughout 2020. The cohort, consisting of nine participants from a range of secondary and primary care specialties, took part in seven of the 13 delivery days. The programme was paused due to the onset of the coronavirus pandemic, before being

Trustees' annual report

For the year ended 31 December 2020

rearranged for online delivery. An interim external evaluation concluded respondents responded positively to the programme: *"Participants enjoyed the specific talks and training days, and action logs were specifically highlighted as enjoyable, impressive or fascinating."*

The sixth cohort of the College Office Bearer's leadership development programme was delivered in 2020. Nine participants attended from medical royal colleges and faculties, including Anaesthetists, Emergency Medicine, Pathologists, Radiologists, Surgeons and Dental Surgery. The programme was reformatted and delivered online, over nine days. Participant feedback has been instrumental in to shape and format content for the seventh cohort, due to run in 2021.

FMLM's clinical fellow scheme portfolio continued to increase in profile and scope in 2020. Despite the pandemic, FMLM succeeded in upgrading the recruitment and delivery processes, and enhance the educational and development offer to clinical fellows. In March, more than 20 clinical fellows from the 2019/20 National Medical Director's (NMD), Chief Pharmaceutical Officer's (CPhO) and Chief Dental Officer's (CDO) clinical fellow schemes were redeployed to the NHS England and NHS Improvement clinical cell to work on the national response to the pandemic. They worked on more than 50 projects to direct clinical care initiatives to ensure staff safety against Covid-19. During this time, FMLM delivered a series of online leadership and resilience groups to provide clinical fellows with additional support.

In response to the pandemic, recruitment to the 2020/21 CPhO and CDO schemes was postponed for 12 months. In response, FMLM developed and delivered an advanced development programme for the existing clinical fellows on those schemes, whose fellowships were extended for them to build on the skills and experiences gained from the first year of their fellowship. The NMD scheme went ahead and in September, FMLM inducted 31 new National Medical Director's clinical fellows, who formed the 10th cohort of the scheme. More than 60% of them were female and 48% were from a BAME background.

In late 2020, FMLM was commissioned by NHS England and NHS Improvement to:

- establish and run a multi-professional, region-based clinical fellow scheme to expand access and provide opportunities for aspiring clinical leaders to gain the necessary experience and skills for future system leadership roles.
- develop a formal and sustainable scheme for clinical fellow alumni from FMLM-managed schemes, to continue their leadership development and maximise their leadership potential through their clinical careers.

These initiatives – which form part of the NHS' commitment of the NHS People Plan 2020/21 to strengthen clinical leadership capability in the NHS, and to support to talented aspiring clinical leaders – are to be delivered by FMLM in 2021.

FMLM Applied

Throughout 2020, FMLM Applied delivered bespoke leadership development, mentoring and coaching programmes to more than 200 participants across 12 organisations from a wide range of career stages and teams including medical directors, triumvirates, clinical directors, mental health services, scientists, chief residents, and consultants. Of the twelve organisations, nine were NHS organisations (including some

Trustees' annual report

For the year ended 31 December 2020

funded through NHS Improvement and NHS England), there was also a royal society, and two education organisations.

Annual conference

The conference in 2020, which was held entirely online, due to the pandemic, was FMLM's most successful to date, with 977 participants from 40 countries, 362 of whom were FMLM members, which accounted for 37 per cent of all attendees and just under 15 per cent of FMLM's total membership. Feedback from attendees as well as speakers – based on an interactive programme which explored the learning from the first eight months of the pandemic, as well as a new research stream and a focus on diversity and integration – was overwhelmingly positive.

Membership and navigating individual support

In October, FMLM launched international membership, to provide support to medically qualified professionals living and working outside the UK. A more detailed evaluation of the take-up of this membership category will be reported in 2021.

Membership at the end of 2020 numbered 2,494 individual members (a 9% increase on 2019), including:

- Post-CCT (43%)
- Trainees (34%)
- Fellows (7%)
- Students (13.5%)
- Non-medical associates (1.5%)
- Retired medical (0.5%)

The ethnicity of FMLM's total membership increased in diversity in 2020:

- White (52%)
- Asian (22%)
- Black (5%)
- Mixed (3%)
- Arab (1%)
- Other/not stated (17%)

The gender split in FMLM's membership in 2020 remained static:

- Male (56%)
- Female (42%)
- Not stated (2%)

In 2020, work began in earnest on FMLM Navigator, a fully interactive digital toolkit for doctors to map and pursue a career in medical leadership. Technical development of the tool comprised a large part of the effort, guided by an expert advisory group and informed by focus group sessions held at our annual conference. Development of the leadership development content on the app took a back seat as contributors, who largely comprised FMLM Fellows and members, were focused on fighting the Covid-19 pandemic. A launch of the finished tool is expected in 2021.

Trustees' annual report

For the year ended 31 December 2020

Beneficiaries of our services

The ultimate intended beneficiaries of FMLM's activities are patients, who benefit from better and safer care through better medical leadership. However, this is tenuous and difficult to measure.

The immediate beneficiaries of FMLM's services and activities are its membership, which mostly comprises doctors at all career stages from medical student to medical director and CEO. At the end of 2020, FMLM had 2,494 members, who had access to benefits including mentoring, the latest research in medical leadership through FMLM's jointly owned scientific journal, *BMJ Leader*, and access to a wide range of activities including conferences, webinars and interest groups (such as medical students and trainee steering groups). FMLM measures its impact through membership surveys, which, due to the pandemic, have been reduced to a minimum to avoid the impact on doctors' time.

FMLM measures the impact of its leadership development programmes through the charity and FMLM Applied through qualitative and quantitative measures, including commissioned research into the impact of a programme, such as *Tomorrow's Strategic Leader*. FMLM Applied often returns to a client some months later to assess the longer-term impact of its earlier leadership development interventions.

Financial review

FMLM's results for the year are shown in the Statement of Financial Activities (SOFA).

The actual performance result for the year is an FMLM group net surplus of £29k (£15k for the FMLM charity).

A breakdown of income for the FMLM charity:

- Membership (26%)
- Development services (22%)
- Other, including grants, legacy and advertising (16%)
- Revalidation and appraisal (4%)
- Events (3%)
- Education and training (2%)
- FMLM Applied (27%)

The total FMLM group (FMLM charity, plus FMLM Applied trading company) income for 2020 was £1,322k (£1,545k in 2019).

The largest single source of income for the charity was from membership (including FMLM's jointly owned journal, *BMJ Leader* and Fellowship), totalling £339k (£330k in 2019). Development services income totalled £285k (£290k in 2019). Other income, including grants, legacy and advertising, the bulk of which was provided by the Dinwoodie Charitable Company to fund FMLM Navigator, totalled £212k (£19k in 2019). Events income totalled £44k (£73k in 2019). Education and training totalled £29k (£136k in 2019). Revalidation and appraisal income totalled £59k (£56k in 2019).

Trustees' annual report

For the year ended 31 December 2020

A breakdown of expenditure to the charity:

- Staff and staff administrative costs (55%)
- Other costs and overheads (including travel, accommodation, marketing) (9%)
- Career map (11%)
- Membership/Journal/Fellowship (4%)
- Development services including clinical fellow schemes (2%)
- Revalidation and appraisal (2%)
- Education and training (2%)
- Rent & Facilities (5%)
- FMLM Applied direct costs (10%)

The total FMLM group expenditure for 2020 was £1,294k (£1,485k in 2019).

The costs of all income generating activities were below budget. This was due to the pandemic preventing face-to-face activities and the associated expenses.

Staff costs, at £712k, the highest sources of expenditure, were £154k below budget (18%) and £69k (9%) below the same costs in 2019. Other costs and overheads formed the second highest source of expenditure at £117k, which was £7k under budget. Career mapping costs of £143k were paid from grant support provided by the Dinwoodie Charitable Company, for the design and development of FMLM Navigator, which will launch in 2021.

Despite a challenging year with reduced income across most areas, direct costs being kept to a minimum through significant team effort contributed to the positive outturn in performance.

Statement on fundraising

FMLM does not engage in public fundraising and does not use professional fundraisers or commercial participators. FMLM nevertheless observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and FMLM received no complaints relating to its fundraising practice.

Principal risks and uncertainties

FMLM has reviewed and updated the key strategic risks identified in 2020 for the charity and Applied, which are summarised below.

Strategic risks

1. Staff wellbeing

Staff were working from home from mid-March. Regular team meetings, reviews of workspaces, access to an Employee Assistance Programme, online social events and regular check-ins ensured staff morale and team working remained high.

2. Loss of staff impacting operations, esp key staff

Trustees' annual report

For the year ended 31 December 2020

There were no staff losses in 2020. FMLM has contingency plans in place for no notice loss of key staff and succession planning including long term cover if needed has been reviewed.

3. FMLM Applied – programme income
4. FMLM Applied – programme delivery
5. FMLM – leadership development programme delivery

In Q4 of 2020 uncertainties remained around the ongoing impact of Covid-19 social distancing on the delivery of leadership development across FMLM and FMLM Applied and the annual conference Leaders in Healthcare in November. However, recruitment for new leadership development programmes was positive and several programmes hit by delays in 2020 are due to restart or begin virtually in the first half of 2021.

6. FMLM Membership – income

At the end of 2020, membership numbers were higher than they had ever been and the FMLM membership team was working hard to continue to reduce the number of members who leave each month and on new business via affiliated organisation membership and international membership, both in their infancy in 2020.

7. FMLM governance

All reporting deadlines were met and FMLM has processes in place to ensure that the governance risks of non-compliance with statutory reporting are low.

8. Leaders in Healthcare – loss of income and/or irretrievable high costs

The risk identified in Q2 of income loss from the Leaders in Healthcare conference not being held in person was reduced significantly as soon as the Barbican agreed to postpone at no cost the in-person event to 2021.

Reserves policy

FMLM's activities, together with the factors likely to affect its future development, performance and financial position, are set out on pages 5 to 11. The financial position of FMLM, its cash flows, liquidity position pages 25 to 27.

FMLM continuously seeks to find and maintain new sources of income to further its activities and also mitigate any risk of over-reliance on major income streams.

The FMLM reserves policy is to hold on average half its annual expenditure in reserve to enable FMLM to weather a temporary significant decrease in income and/or wind up the charity in an orderly manner, in line with best practice guidance for charities.

The FMLM reserves at 31 December 2020 were £824,000. This represents five to six month's worth of the operational expenditure forecast for 2021. This policy may be reviewed in-year by Trustees where there is a strong business case for investment in critical FMLM activity that would lead to a reduction in reserves to less than six months operating costs.

Trustees' annual report

For the year ended 31 December 2020

Going concern

The trustees having reviewed FMLM's financial position, the level of cash and reserves, together with the long-term projections, the systems of financial control and risk management in place, management's continued endeavours to deliver operational efficiencies, they believe FMLM is well placed to manage its business risks successfully. The trustees consider FMLM has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Trading subsidiary

FMLM's wholly owned trading subsidiary FMLM Applied's net profit for the year ended 31 December 2020 of £13k will be paid under gift aid to the charity in 2021. The principal activities of the company are providing high-quality clinical leadership development aimed at enhancing clinical leadership and engagement to improve patient care, creating and providing bespoke support programmes for individuals, teams and organisations.

The trading results and balance sheet of the subsidiary extracted from its accounts are set out in note 12 to the financial statements.

Plans for the future

FMLM will celebrate its ten-year anniversary in 2021 and launch a refreshed five-year strategy. FMLM's plans for 2021 include increasing membership beyond 2,500; a two-day in-person plus two-day virtual international conference in London in November; building its international audience; delivering high-impact national and regional activity; further diversifying FMLM Applied's client base; developing virtual and in-person leadership development offers; and continuing to support staff in new ways of working post pandemic, including occupational health reviews and development.

FMLM plans to review its five-year strategy in 2020 and to continue to seek ways to further secure FMLM's long term financial stability.

The FMLM Applied business plan for 2019 was accepted by the FMLM Board of Trustees in April 2019. The business plan focused on:

- a. Working more closely and frequently with the Associate community identified as 'business developers' to develop new offers and effectively market existing programmes.
- b. Actively engage key Associates in understanding, developing and promoting the FMLM Applied offer through quarterly email updates and twice-yearly face to face meetings.
- c. Identify and approach organisations which may be in need of FMLM Applied support (both through NHS Improvement and through CQC reports).
- d. Seek new Associates amongst FMLM networks who may address a deficit in our current Associate profile.
- e. Undertake financial modelling to better understand our current pattern of activity and how this can be scaled and become more profitable and/or new lines of opportunity pursued.
- f. Seek potential academic partners to add to the offer of FMLM Applied programmes and support participants to apply for Fellowship of FMLM.
- g. Link FMLM Applied programmes with membership, fellowship, 360-degree feedback tool and Leaders in Healthcare.

Trustees' annual report

For the year ended 31 December 2020

h. Develop greater commercial expertise amongst the internal team and Associate groups.

Significant progress was made on all these activities during 2019. Additionally, work on a longer-term strategy for FMLM Applied commenced in 2019. The 2020-23 strategy, now published, covers three main priorities: developing leaders and teams, establishing partnerships and communities and thought leadership and research. The full strategy can be accessed here:

<https://www.fmlm.ac.uk/sites/default/files/content/page/attachments/FMLM%20Applied%20Strategy%202020-23%20.pdf>

Structure, governance and management

The Trustees of FMLM delegate day to day running of the charity to the senior management team (SMT):
Mr Peter Lees, FMLM Chief Executive
Ms Kirsten Armit, FMLM Chief Operating Officer
Dr Paul Evans, FMLM Medical Director

Trustees make decisions on the strategic direction of the charity, with a written strategy reviewed at least every five years. FMLM's current strategy runs from 2016 to 2021 and can be found on the FMLM website:
https://www.fmlm.ac.uk/sites/default/files/content/page/attachments/FMLM_Strategy_2017-2021.pdf

FMLM's transformational goals (integral to the five-year strategy) are as follows:

1. FMLM shall be the first point of contact for medical leadership and management and the Leadership and management standards for medical professionals will be recognised by the healthcare sector as the definition of effective medical leadership.
2. FMLM's work will be underpinned by a demonstrably robust evidence base.
3. FMLM will build an excellent 'track record' and reputation for supporting individuals and teams.
4. FMLM will become a powerful advocate for medical leadership, drawing on the evidence to influence at an international, national, regional and local level.
5. FMLM will be financially resilient, sustainable and independent, with a strong and diverse revenue base.

Financial decision-making and assessment of risks are first reviewed by the Finance, Audit and Risk (FAR) Committee, a sub-committee of the Board of Trustees. The FAR committee makes recommendations to the board on budget setting, staff remuneration, investment strategy, reserves policy and risk management. In 2020 the FAR committee was chaired by Lay Trustee, Mrs Nargis Ara-Ranaldi and members were Treasurer Ms Jenny Ehrhardt, Lay Trustee Mr Dave Bennett, and COO Ms Kirsten Armit.

Senior staff remuneration, ie the SMT, is determined by the Board of Trustees based on recommendations from the remuneration committee. In 2020, FMLM staff agreed to a temporary reduction in pay to ease the pressure due to lost income arising from the impact of the pandemic on FMLM's activity. Senior staff pay was reduced by 12.5%, 15% and 20% percent between May and October.

Pay for staff below the SMT is normally reviewed annually, based on organisation business performance, affordability and market comparisons. FMLM engages HR experts at the Royal College of Anaesthetists for advice on market rates and due process when considering annual pay rises. In 2020 all FMLM staff agreed to a temporary reduction in pay of between 12.5% and 5% between May and October. Salaries were restored to 100% in October 2020. Two members of staff were on furlough and/or flexible furlough for part

Trustees' annual report

For the year ended 31 December 2020

of the year. There were no salary increases for any member of staff, including the senior management team in 2020.

At the end of 2020, FMLM had three members of staff who earned more than £60,000 a year.

The organisation is a charitable company limited by guarantee, incorporated on 31 May 2018 and registered as a charity on 12 June 2018.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

Appointment of trustees

FMLM Trustees are appointed as follows:

Lay Trustees – open competition recruitment (adverts and interviews)

Ordinary Trustees – appointed by the FMLM Council

Chair – voted by members of FMLM

Treasurer – appointed by the Board of Trustees

Co-opted Trustees – appointed by the Board of Trustees to meet specific skill or expertise gaps

The FMLM Council is the professional decision-making body of FMLM and represents the membership.

Council is responsible for dealing with all issues that affect the professional activity of its membership, including matters such as policy and guidance relating to conduct and education and training; professional issues such as standards and revalidation; engagement with members; regional and national issues; and any other matters relevant to the practice of medical leadership and management.

Council also advises the Board of Trustees on professional issues and developments affecting FMLM or its members.

Council members are drawn from the membership to reflect the breadth of medical practice and specialism, including medical royal colleges, the armed forces and medical education. There are also representatives from each of the devolved nations of the United Kingdom.

Trustee induction and training

Every FMLM Trustee receives an induction pack with information about the charity's governing document, key business areas and personnel, strategic plan, annual business plan and budget, committee structure and reporting lines. Trustees are also invited to meet staff from each business area to build an understanding of the work of the charity and how it meets its charitable aims through its support to members and wider activity.

Trustees receive information about their responsibilities as charity trustees and company directors, including copies of *The essential trustee: what you need to know, what you need to do* and *It's your decision: charity trustees and decision making*, essential guides from the Charities Commission.

Trustees' annual report

For the year ended 31 December 2020

Trustees are supported by the Board Secretary, a role which is currently performed by the Head of Corporate Affairs.

There were several new appointments at the end of 2019, including a new Chair, and FMLM had planned to hold a development day for all Trustees in 2020. This was postponed to 2021 due to the pandemic.

Related parties and relationships with other organisations

FMLM Applied is a wholly owned subsidiary of FMLM the charity. It is a company limited by shares and its only shareholder is FMLM. FMLM Applied principally delivers leadership development programmes to organisations to help develop their medical leaders to improve patient care and safety. It delivers the programmes through a network of medical and non-medical leadership development professionals and is run on a day to day basis by the FMLM COO and CEO.

The FMLM Applied board is chaired by Stephen Brooks, who previously sat on the FMLM Board as a Lay Trustee and has extensive consultancy experience. Other members of the FMLM Applied Board are:

Mr Peter Lees, FMLM Chief Executive

Ms Kirsten Armit, FMLM Chief Operating Officer

Ms Jenny Ehrhardt FMLM Treasurer

Mr Jamie Ward, Independent of FMLM, with significant leadership development experience

100% of the profits from FMLM Applied are gift aided to FMLM the charity.

Remuneration policy for key management personnel

In line with charity best practice, the FMLM Remuneration Committee is responsible for setting the pay for roles at the executive director level of organisation, ie the Chief Executive, Chief Operating Officer and Medical Director.

While the Remuneration Committee is not responsible for setting the pay of individual staff members below the executive level, it may take a view in liaising with the Finance, Audit and Risk Committee on guidance to the Board on pay rates and annual pay rises at the aggregate level.

Setting the FMLM pay policy:

The FMLM executive pay policy aims to attract and retain staff of the appropriate calibre and experience to lead FMLM. The pay policy sets out how pay is determined and what factors have been taken into account, these include:

- any comparators against which the pay of senior staff is benchmarked
- how FMLM's income, performance and forecasts will affect pay settlements
- FMLM's track record in recruitment, retention and performance of senior staff

The pay policy is reviewed annually, taking into account past and projected performance.

Funds held as custodian trustee on behalf of others

Founded in 2016 by two NHS clinicians, TEDxNHS is the world's largest TEDx event license holder – representing the 1.5 million people who work across health and social care. Organised by the NHS for the NHS, TEDxNHS operates on a fully not-for-profit basis, with a multidisciplinary team of volunteers, made up of NHS staff from across the UK.

TEDx NHS is a movement and does not have a corporate body or finance function, so is unable to receive income or pay invoices. FMLM as a strategic partner of TEDx NHS provides basic finance services and holds funds for TEDx NHS to enable each annual event to run. Typical financial transactions include hire fees for the event venue and ticket receipts from attendees. FMLM does not charge a fee for its services but is recognised as a strategic partner in all event marketing.

Statement of responsibilities of the trustees

The trustees (who are also directors of Faculty of Medical Leadership and Management for the purposes of company law) are responsible for preparing the trustees' annual 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

Trustees' annual report

For the year ended 31 December 2020

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2020 was nine (2019: nine). The trustees are members of the charity, but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

The trustees' annual report has been approved by the trustees on 28 July 2021 and signed on their behalf by

Jenny Ehrhardt
Trustee

Independent auditor's report

For the year ended 31 December 2020

Independent auditor's report to the members of Faculty of Medical Leadership and Management

Opinion

We have audited the financial statements of Faculty of Medical Leadership and Management (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 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 group's and of the parent charitable company's affairs as at 31 December 2020 and of the group's 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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company 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 trustees' 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 Faculty of Medical Leadership and Management'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 trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

For the year ended 31 December 2020

Other Information

The other information comprises the information included in the trustees' annual report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 group 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 group 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 the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company 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 directors 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' annual report and from the requirement to prepare a strategic report.

Independent auditor's report

For the year ended 31 December 2020

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company 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 group'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 group or the parent 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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

Independent auditor's report

For the year ended 31 December 2020

- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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

Independent auditor's report

For the year ended 31 December 2020

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.

Joanna Pittman (Senior statutory auditor)

19 August 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

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

Faculty of Medical Leadership and Management

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	12,372	195,000	207,372	–	–	–
Charitable activities							
Membership	3	338,980	–	338,980	321,075	–	321,075
Revalidation and appraisal	3	58,691	–	58,691	55,756	–	55,756
Development services	3	285,037	–	285,037	290,027	–	290,027
Education and training	3	–	28,505	28,505	117,392	19,380	136,772
FMLM events	3	43,579	–	43,579	73,148	–	73,148
Other trading activities	4	359,924	–	359,924	668,527	–	668,527
Investments		2	–	2	4	–	4
Other – transfer of net assets from Royal College of Physicians	20	–	–	–	771,679	–	771,679
Total income		1,098,585	223,505	1,322,090	2,297,608	19,380	2,316,988
Expenditure on:							
Raising funds (including costs of trading)	5	352,625	–	352,625	463,950	–	463,950
Charitable activities							
Membership	5	232,032	–	232,032	277,094	–	277,094
Revalidation and appraisal	5	60,391	–	60,391	56,708	–	56,708
Development services	5	215,773	143,162	358,935	327,581	–	327,581
Education and training	5	159,523	18,303	177,826	167,575	17,848	185,423
FMLM events	5	111,820	–	111,820	176,063	–	176,063
Total expenditure		1,132,165	161,465	1,293,630	1,468,971	17,848	1,486,819
Net movement in funds and net income/(expenditure) for the year	6	(33,580)	62,040	28,460	828,637	1,532	830,169
Reconciliation of funds:							
Total funds brought forward		827,906	1,532	829,438	(731)	–	(731)
Total funds carried forward		794,326	63,572	857,898	827,906	1,532	829,438

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 18a to the financial statements.

Balance sheets

Company no. 11390175

As at 31 December 2020

	Note	The group 2020 £	2019 £	The charity 2020 £	2019 £
Fixed assets:					
Tangible assets	11	19,873	39,745	19,873	39,745
Investment in subsidiary		–	–	1	1
		<u>19,873</u>	<u>39,745</u>	<u>19,873</u>	<u>39,745</u>
Current assets:					
Debtors	14	386,545	469,568	370,665	291,916
Cash at bank and in hand		1,075,479	756,837	575,637	477,359
		<u>1,462,024</u>	<u>1,226,405</u>	<u>946,302</u>	<u>769,275</u>
Liabilities:					
Creditors: amounts falling due within one year	15	(623,999)	(436,712)	(121,466)	(142,528)
		<u>838,025</u>	<u>789,693</u>	<u>824,836</u>	<u>626,747</u>
Net current assets					
		<u>838,025</u>	<u>789,693</u>	<u>824,836</u>	<u>626,747</u>
Total net assets		<u>857,898</u>	<u>829,438</u>	<u>844,709</u>	<u>666,492</u>
Funds:	18				
Restricted income funds		63,572	1,532	63,572	1,532
Unrestricted income funds:					
General funds		794,326	827,906	781,137	664,960
Total unrestricted funds		<u>794,326</u>	<u>827,906</u>	<u>781,137</u>	<u>664,960</u>
Total funds		<u>857,898</u>	<u>829,438</u>	<u>844,709</u>	<u>666,492</u>

Approved by the trustees on 28 July 2021 and signed on their behalf by

Jenny Ehrhardt
Trustee

Faculty of Medical Leadership and Management

Consolidated statement of cash flows

For the year ended 31 December 2020

	Note	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Net income for the reporting period		28,460		830,169	
(as per the statement of financial activities)					
Non cash fixed assets transferred from Royal College of Physician: 20		–		(55,652)	
Depreciation charges		19,872		19,872	
Dividends, interest and rent from investments		(2)		(4)	
(Increase)/decrease in debtors		83,023		(469,568)	
Increase/(decrease) in creditors		187,287		429,711	
Net cash provided by operating activities			318,640		754,528
Cash flows from investing activities:					
Dividends, interest and rents from investments		2		4	
Purchase of fixed assets		–		(3,965)	
Net cash (used in) investing activities			2		(3,961)
Change in cash and cash equivalents in the year			318,642		750,567
Cash and cash equivalents at the beginning of the year			756,837		6,270
Cash and cash equivalents at the end of the year			1,075,479		756,837

1 Accounting policies

a) Statutory information

Faculty of Medical Leadership and Management is a charitable company limited by guarantee and is incorporated in England. The registered office address is 34 Red Lion Square, London, United Kingdom, WC1R 4SG.

b) Basis of preparation

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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary FMLM Applied Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees, having reviewed FMLM's financial position and the level of cash and reserves, consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision, of a specified service, (including membership, training, events and consultancy) is deferred until the criteria for income recognition are met.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

f) Interest receivable

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.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

1 Accounting policies (continued)

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the running commercial consultancy activity through FMLM Applied.
- Expenditure on charitable activities includes the costs of delivering services to our members undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity:

- | | |
|--|-----|
| • Membership | 24% |
| • Revalidation and appraisal | 3% |
| • Development Services | 24% |
| • Education and Training | 15% |
| • FMLM Events | 14% |
| • Raising funds (including costs of trading) | 20% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £1,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|--------------------------|---------|
| • Fixtures and fittings | 3 years |
| • Leasehold improvements | 3 years |

l) Investments in subsidiaries

Investments in subsidiaries are at cost.

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the financial statements

For the year ended 31 December 2020

1 Accounting policies (continued)

p) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

q) Pensions

The charitable company operates a defined contribution scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2 Income from donations and legacies

	Unrestricted £	Restricted £	2020 total Total £	Unrestricted £	Restricted £	2019 Total £
Donations	1,200	–	1,200	–	–	–
Grant income	11,172	165,000	176,172	–	–	–
Legacies	–	30,000	30,000	–	–	–
	<u>12,372</u>	<u>195,000</u>	<u>207,372</u>	<u>–</u>	<u>–</u>	<u>–</u>

Notes to the financial statements

For the year ended 31 December 2020

3 Income from charitable activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Membership income	312,948	–	312,948	298,150	–	298,150
BMJ Leader journal	13,182	–	13,182	22,925	–	22,925
Fellowship	12,850	–	12,850	8,950	–	8,950
Sub-total for Membership	338,980	–	338,980	330,025	–	330,025
Revalidation and appraisal fees	58,691	–	58,691	55,756	–	55,756
Sub-total for Revalidation and appraisal	58,691	–	58,691	55,756	–	55,756
National Medical Director Clinical Fellowship Scheme	201,379	–	201,379	142,049	–	142,049
Chief Pharmaceutical Officer Clinical Fellowship Scheme	59,446	–	59,446	71,394	–	71,394
Chief Dental Officer Clinical Fellowship Scheme	7,282	–	7,282	40,275	–	40,275
CPD and Accreditation	10,801	–	10,801	25,712	–	25,712
Other income from Development services	6,129	–	6,129	10,597	–	10,597
Sub-total for Development services	285,037	–	285,037	290,027	–	290,027
College Officers Programme	–	–	–	46,860	–	46,860
Royal College of Physicians/Faculty of Medical Leadership and Management events	–	28,505	28,505	61,582	19,380	80,962
Sub-total for Education and Training	–	28,505	28,505	108,442	19,380	127,822
Conference	32,405	–	32,405	48,569	–	48,569
Other events	11,174	–	11,174	24,579	–	24,579
Sub-total for FMLM events	43,579	–	43,579	73,148	–	73,148
Total income from charitable activities	726,287	28,505	754,792	857,398	19,380	876,778

4 Income from other trading activities

	Unrestricted £	Restricted £	2020 Total £	Unrestricted	Restricted	2019 Total
Advertising	4,598	–	4,598	17,120	–	17,120
Consultancy	355,326	–	355,326	649,293	–	649,293
Careers Service	–	–	–	2,114	–	2,114
	359,924	–	359,924	668,527	–	668,527

Faculty of Medical Leadership and Management

Notes to the financial statements

For the year ended 31 December 2020

5a Analysis of expenditure (current year)

	Raising funds (including costs of trading) £	Charitable activities							2020 Total £	2019 Total £
		Membership £	Revalidation and appraisal £	Development Services £	Education and Training £	FMLM Events £	Governance costs £	Support costs £		
Staff costs (Note 7)	184,859	124,006	26,259	127,150	117,405	74,137	22,379	–	676,195	641,871
Temporary staff costs	–	–	–	–	–	–	–	17,051	17,051	111,205
Other staff costs	–	–	–	–	–	–	–	24,217	24,217	29,937
Consultancy costs	119,138	–	–	–	–	–	–	–	119,138	216,574
Membership costs	–	–	–	–	–	–	–	–	–	2,300
Journal costs	–	49,672	–	–	–	–	–	–	49,672	53,133
Revalidation and appraisal costs	–	–	26,838	–	–	–	–	–	26,838	18,843
Clinical Fellowship Scheme costs	–	–	–	26,713	–	–	–	–	26,713	84,402
Development services costs	–	–	–	3,557	–	–	–	–	3,557	6,369
Education and training costs	–	–	–	–	5,647	–	–	–	5,647	9,284
Career development costs	–	–	–	143,162	–	–	–	–	143,162	–
Other events costs	–	–	–	–	18,303	3,643	–	–	21,946	43,240
Marketing	–	–	–	–	–	–	–	9,829	9,829	19,016
Rent and facilities charges	–	–	–	–	–	–	–	59,040	59,040	106,850
IT and office costs	–	–	–	–	–	–	–	44,568	44,568	68,370
Legal and professional fees	–	–	–	–	–	–	–	11,489	11,489	23,011
Travel and subsistence	–	–	–	–	–	–	–	4,136	4,136	15,716
Other costs	–	–	–	–	–	–	–	30,560	30,560	16,826
Depreciation	–	–	–	–	–	–	–	19,872	19,872	19,872
	303,997	173,678	53,097	300,582	141,355	77,780	22,379	220,762	1,293,630	1,486,819
Support costs	44,152	52,983	6,623	52,983	33,114	30,907	–	(220,762)	–	–
Governance costs	4,476	5,371	671	5,371	3,357	3,133	(22,379)	–	–	–
Total expenditure 2020	352,625	232,032	60,391	358,935	177,826	111,820	–	–	1,293,630	–

Faculty of Medical Leadership and Management

Notes to the financial statements

For the year ended 31 December 2019

5b Analysis of expenditure (current year)

	Charitable activities								
	Raising funds £	Membership £	Revalidation and appraisal £	Development Services £	Education and Training £	FMLM Events £	Governance costs £	Support costs £	2019 Total £
Staff costs (Note 7)	156,357	106,126	20,395	139,877	94,609	84,747	10,135	29,624	641,871
Temporary staff costs	21,085	31,614	6,980	13,052	11,191	16,970	-	10,314	111,205
Other staff costs	-	-	-	-	-	-	-	29,937	29,937
Consultancy costs	216,574	-	-	-	-	-	-	-	216,574
Membership costs	-	2,300	-	-	-	-	-	-	2,300
Journal costs	-	53,133	-	-	-	-	-	-	53,133
Revalidation and appraisal costs	-	-	18,843	-	-	-	-	-	18,843
Clinical Fellowship Scheme costs	-	-	-	84,362	40	-	-	-	84,402
Development services costs	-	-	-	6,369	-	-	-	-	6,369
Education and training costs	-	-	-	-	9,284	-	-	-	9,284
Other events costs	-	-	-	-	17,848	25,392	-	-	43,240
Marketing	-	-	-	-	-	-	-	19,016	19,016
Rent and facilities charges	-	-	-	-	-	-	-	106,850	106,850
IT and office costs	-	-	-	-	-	-	-	68,370	68,370
Legal and professional fees	-	-	-	-	-	-	23,011	-	23,011
Travel and subsistence	-	-	-	-	-	-	3,196	12,520	15,716
Other costs	-	-	-	-	-	-	-	16,826	16,826
Depreciation	-	-	-	-	-	-	-	19,872	19,872
	394,016	193,173	46,218	243,660	132,972	127,109	36,342	313,329	1,486,819
Support costs	62,666	75,199	9,400	75,199	46,999	43,866	-	(313,329)	-
Governance costs	7,268	8,722	1,090	8,722	5,451	5,088	(36,342)	-	-
Total expenditure 2019	463,950	277,094	56,708	327,581	185,422	176,063	-	-	1,486,819

Notes to the financial statements

For the year ended 31 December 2020

6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	19,872	19,872
Interest payable	100	13
Operating lease rentals:		
Property	48,243	48,243
Other	1,268	1,268
Auditor's remuneration (excluding VAT):		
Audit	8,250	8,100
Other services	2,850	2,700
	676,195	641,871

7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	575,127	542,950
Social security costs	64,886	63,700
Employer's contribution to defined contribution pension schemes	36,182	35,221
	676,195	641,871

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 No.	2019 No.
£70,000 – £79,999	2	1
£110,000 – £119,999	1	–
£130,000 – £139,999	–	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £297,008 (2019: £279,953).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £4,266.20 (2019: £3,196) incurred by 5 members (2019: 4) relating to attendance at meetings of the trustees.

8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 11 (2019: 11).

Staff are split across the activities of the charitable company as follows (full time equivalent basis):

	2020 No.	2019 No.
Raising funds	2.8	2.4
Membership	2.0	1.9
Revalidation and appraisal	0.5	0.4
Development services	2.4	2.7
Education and training	1.9	1.6
FMLM events	1.2	1.4
Support	0.3	0.7
	11.1	10.9

9 Related party transactions

There are no related party transactions to disclose for 2020 (2019: none).

10 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary FMLM Applied Limited gift aids available profits to the parent charity. Its charge to corporation tax in the year was:

	2020 £	2019 £
UK corporation tax at 19% (2018: 19%)	59	–

The amount recognised in 2020 is for the corporation tax charged on the 2019 profits. The cost has been recognised in 2020, in line with the FMLM Applied Limited accounts.

11 Tangible fixed assets

The group and charity

	Fixtures and fittings £	Leasehold improvements £	Total £
Cost			
At the start of the year	1,560	58,057	59,617
Additions in year	–	–	–
At the end of the year	1,560	58,057	59,617
Depreciation			
At the start of the year	520	19,352	19,872
Charge for the year	520	19,352	19,872
At the end of the year	1,040	38,704	39,744
Net book value			
At the end of the year	520	19,353	19,873
At the start of the year	1,040	38,705	39,745

Notes to the financial statements

For the year ended 31 December 2020

12 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of FMLM Applied Ltd, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. Kirsten Armit and Jenny Ehrhardt are also directors of the subsidiary. A summary of the results of the subsidiary is shown below:

	2020 £	2019 £
Turnover	355,326	649,293
Cost of sales	(106,388)	(179,042)
Gross profit	248,938	470,251
Administrative expenses	(21,289)	(78,778)
Management charge payable to parent undertaking	(214,401)	(228,527)
Profit / (loss) on ordinary activities before taxation	13,248	162,946
Tax paid	(59)	–
Profit / (loss) for the financial year	13,189	162,946
Retained earnings		
Total retained earnings brought forward	162,946	–
Profit / (loss) for the financial year	13,189	162,946
Distribution under Gift Aid to parent charity	(162,946)	
Total retained earnings carried forward	13,189	162,946
The aggregate of the assets, liabilities and funds was:		
Assets	673,865	457,130
Liabilities	(660,676)	(294,184)
Funds	13,189	162,946

Amounts owed to/from the parent undertaking are shown in note 15.

13 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020 £	2019 £
Gross income	1,344,110	1,124,543
Result for the year	178,217	(104,456)

14 Debtors

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	214,159	376,064	213,168	205,705
Other debtors	8,295	33,483	8,729	28,234
Accrued income	164,091	60,021	148,768	57,977
	386,545	469,568	370,665	291,916

15 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	12,973	156,937	13,605	25,073
Amounts to owed to subsidiary	–	–	3,632	3,313
Taxation and social security	44,581	54,480	20,082	30,806
Accruals	71,889	64,842	71,889	43,030
Deferred income (note 16)	491,924	160,453	10,462	40,306
Other creditors	2,632	–	1,796	–
	623,999	436,712	121,466	142,528

16 Deferred income

Deferred income comprises membership fees and fees for consultancy work received in advance.

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	160,453	–	40,306	–
Amount released to income in the year	(160,453)	–	(40,306)	–
Amount deferred in the year	491,924	160,453	10,462	40,306
Balance at the end of the year	491,924	160,453	10,462	40,306

17a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	19,873	–	–	19,873
Net current assets	774,453	–	63,572	838,025
Net assets at 31 December 2020	794,326	–	63,572	857,898

17b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	39,745	–	–	39,745
Net current assets	788,161	–	1,532	789,693
Net assets at 31 December 2019	827,906	–	1,532	829,438

18a Movements in funds (current year)

	At 1 January 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2020 £
Restricted funds:					
Expert Leadership Development Programme	1,532	28,505	(18,303)	–	11,734
Career Development for Medical Leaders	–	165,000	(143,162)	–	21,838
Career Development for UK doctors registered with the General Medical Council	–	30,000	–	–	30,000
Total restricted funds	1,532	223,505	(161,465)	–	63,572
Unrestricted funds:					
General funds	827,906	1,098,585	(1,132,165)	–	794,326
Total unrestricted funds	827,906	1,098,585	(1,132,165)	–	794,326
Total funds	829,438	1,322,090	(1,293,630)	–	857,898

18b Movements in funds (prior year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2019 £
Restricted funds:					
Expert Leadership Development Programme	–	19,380	(17,848)	–	1,532
Total restricted funds	–	19,380	(17,848)	–	1,532
Unrestricted funds:					
General funds	(731)	2,297,608	(1,468,971)	–	827,906
Total unrestricted funds	(731)	2,297,608	(1,468,971)	–	827,906
Total funds	(731)	2,316,988	(1,486,819)	–	829,438

18b Movements in funds (prior year continued)**Expert Leadership Development Programme**

A grant provided by the Dinwoodie Charitable Company in respect of the delivery of an Expert Leadership Development Programme. The aim of the project is to design and deliver a unique bespoke programme of leadership and management development which is generalisable across the profession to guarantee a healthy pipeline of doctors prepared and well equipped to take on major roles in leading health services in the UK, and to undertake a detailed evaluation of the programme to include measurement of the change in leadership capability of the participants.

Career Development for Medical Leaders

A grant provided by the Dinwoodie Charitable Company in respect of the delivery of an online learning platform for medical leadership and management training for the medical profession. The aim of the project is to develop a fully interactive digital toolkit which will provide a comprehensive 'cradle to grave' career map with links to a broad collection of educational materials and advice for doctors to develop as medical leaders. In addition it is intended that this resource will provide support to doctors having to meet the compulsory requirements of revalidation specifically with regard to the domain of leadership.

Career Development for UK doctors registered with the General Medical Council

A fund to be used for the enhancement of the management and leadership skills and abilities of individual UK doctors registered with the General Medical Council. To be used to increase the leadership and management experience, skills and abilities by gaining experience of the healthcare systems in nations or regions in which the individuals do not currently work.

19 Operating lease commitments

The charity and group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2020 £	2019 £	Equipment 2020 £	2019 £
Less than one year	44,223	20,101	1,162	1,268
One to five years	–	–	–	1,162
	<u>44,223</u>	<u>20,101</u>	<u>1,162</u>	<u>2,430</u>

20 Transfer of assets from Royal College of Physicians (prior year)

Prior to the 2019 financial year, the charity's activities were operated through the Royal College of Physicians. Following the establishment on this new separate charity, the net assets of the activities, were transferred from the Royal College of Physicians on 1 January 2019. A breakdown of the assets transferred is included below.

	2019 Total £
Fixed assets	<u>55,652</u>
Current assets	
Debtors	329,863
Cash at bank and in hand	<u>1,024,589</u>
Total current assets	1,354,452
Creditors: amounts falling due within one year	<u>(638,425)</u>
Net current assets	<u>716,027</u>
Net assets	<u>771,679</u>

21 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.