



Faculty of Sport and Exercise Medicine UK

Excellence in Musculoskeletal Medicine, Exercise Medicine and Team Care

Email: enquiries@fsem.ac.uk
Telephone: +44 (0)131 527 1612

Treasurer's Report Annual General Meeting – 7th October 2021

I have included the rolling three-year accounts, including 2019, 2020, and the latest projection for 2021. The layout for the expenditure has changed in this presentation from previous financial reports, to better group expenditure under different sections/activities. Hopefully this makes the reporting clearer.

Much like everything, activities and finances for FSEM have clearly been affected during the Covid-pandemic. Council meetings have had to be run virtually, leading to cost savings from reduction in room rental and travel expenses, but there was a significant drop in appraisals particularly in late 2020/early 2021 with permitted GMC-deferments, which we expect to mostly return to normal by end-2021. We did not run the annual FSEM Membership presentation and evening meal in 2020 due to covid-restrictions, and as such this day is projected to be much larger in 2021 with additional costs, particularly with the addition of new Diplomate-members. Despite the various changes and challenges, overall we are projected a small surplus in 2021 of about £30,000

Income from subscriptions remains strong, with most Fellows and Members choosing to pay by direct debit, which greatly facilitates the administrative burden. Overall numbers of Fellows and Members remain relatively stable, but this has been increased with addition of the new Diplomate-members, further strengthening the FSEM. Welcome to the FSEM!

Income from examinations has increased slightly in 2021, including the new Diploma of Musculoskeletal Medicine exam that we are running in partnership with PRCMM. It is expected that income from this exam will be used to further develop this exam for future rounds. However expenditure from the examinations (Membership and Diploma) has significantly increased in 2021, which is mostly attributed to a back-payment made to the RCS(Ed) examinations department who managing the running of the examinations for us, who this year have issued a bill for the last few years' worth of activity. This was anticipated, but the bill has only been issued to us / paid by us this year.

Appraisal and revalidation income and expenditure is reported as per the number that we expect to be appraised this year, with currently 90 Members and Fellows undertaking their appraisal via the FSEM. However there are about half of these

FSEM (UK), 6 Hill Square, Edinburgh, EH8 9DR
www.fsem.ac.uk

Patron: HRH The Princess Royal

Faculty of Sport and Exercise Medicine (UK) an intercollegiate faculty of the Royal College of Surgeons of Edinburgh and the Royal College of Physicians London, under the auspices of Hill Square Educational Trust Registered Charity No SC028302.

still to be undertaken in the last 3 months of 2021 from expect numbers, so these numbers may be subject to change. In addition the FSEM administrative staff have often experienced issues with significantly delayed payments by appraisees, often happening many months after the appraisals have taken place. Therefore effective from 1st Jan 2022, appraisals will need to be paid for at the time of booking, much like exams are, with payment taken in advance of the appraisal. This will reduce the administrative burden on FSEM staff chasing late payments.

- Moving Medicine

Slightly separate from the main FSEM accounts is the Moving Medicine team, with its ring-fenced project monies. Moving Medicine activity remains strong this year, with a projected on-paper surplus at the end of Dec2021 of £41,401.01, which is due to be used for further spend in the early part of 2022. This year, the Moving Medicine team have delivered 2 Active Conversations Courses, with a 3rd underway, and have also developed a shorted 'Foundations' course. Also in 2021, a new 1-year contract has been signed with PHE, funding the development of new resources, including regional microsites, significant updates on the initial resources, and further development of communication strategies. The Australasian contract was fulfilled with the site being soft-launched in July 2021.

- Previous Fraud – successful conclusion

Many of you are already aware that the FSEM was the subject of a sophisticated fraud in the middle of 2020, when investment payments were made to a fictitious account via a cloned website, despite various checks by a number of individuals including our bank. After various meetings with the bank, this money has now been fully reimbursed to us in April 2021. The bank is now the “victim” in this fraud, and as such the Police are liaising now directly with them. Further financial governance / anti-fraud training has been undertaken by current members of the FSEM responsible for financial transactions.

- Financial status / Charity registration

One remaining issue is that of the official financial status of the Faculty. Currently we do not have financial independence and we are incorporated through the charitable arm of the Royal College of Surgeons of Edinburgh, called Hill Square Educational Trust. As a result, we report to their board and Trustees. However to develop financial autonomy for the FSEM it is the view of the FSEM Council that we should seek independent charity registration for the FSEM. This will facilitate the running of the FSEM, give greater flexibility, and we hope will allow greater cost savings as we will be able to recoup VAT directly as a charity. This will bring some additional setup-costs for the legal processes required, which are factored into the 2021 projection, although are more likely to be borne in the 2022 year. On-costs are likely to be similar to current situation. This relates purely to the financial / legal status of the FSEM, and will not affect the ongoing professional

relationships that we have with our parent Colleges, that of the RCP(London) and RCS(Edinburgh). We have had preliminary discussions with two legal firms to gauge what is required, but require approval at the AGM before proceeding.

- Subscriptions

Subscriptions did not change from 2020 to 2021. To ensure that we do not need to formally draw on reserves for the legal costs to register as an independent charity, I am recommending an increase of about 2.5% for the next years (2022) subscriptions.

We have also identified a slight anomalous group within the wider membership structure, that of “Corresponding Fellows” which appears to be a legacy group of 4 individuals, mostly overseas, which came about from the original development of the FSEM. We plan to contact these individuals and transfer them to one of the current groups. As an interim step plan to raise the fee to that of an “Oversees Fellow” bringing this into line with the other group. We propose to keep the cost for Senior Fellows and Members, Associates, and Exercise Professionals unchanged. The costs in previous years and the proposal for 2022 are below.

	2019	2020	2021	2022
% increase (approx)	0.0%	2.5%	0.0%	2.5%
Fellow	£352.00	£361.00	£361.00	£370.00
Overseas Fellow	£211.00	£217.00	£217.00	£225.00
Corresponding Fellow	£190.00	£195.00	£195.00	£225.00
Senior Fellow	£26.00	£27.00	£27.00	£27.00
Member	£275.00	£282.00	£282.00	£290.00
Overseas Member	£165.00	£169.00	£169.00	£175.00
Senior Member	£26.00	£27.00	£27.00	£27.00
Diplomate Member			£150.00	£150.00
Associate	£22.00	£23.00	£23.00	£23.00
Exercise Professional		£75.00	£75.00	£75.00

I need to ask you:

- Are you happy to accept the accounts and projections as presented to you?
- Are you happy with the proposal regarding subscription fees for 2022?
- Are you happy with the proposal to arrange independent charity registration for FSEM?

Professor Patrick Wheeler
Honorary Treasurer, FSEM

Faculty of Sport and Exercise Medicine

3-year rolling accounts

	2019	2020	2021 predicted
FSEM - Income			
Subscriptions (Fellowship/Membership ...)	£144,252.00	£151,887.16	£158,287.50
Appraisals	£45,100.00	£41,555.00	£58,500.00
Revalidation	£21,150.00	£17,225.00	£23,100.00
Examination Fees (membership)	£51,242.00	£47,132.80	£55,920.00
Examination Fees (Dip Primary Care MSK Medicine)			£16,875.00
CPD Accreditation	£2,639.00	£1,000.00	
Dinners	£2,072.00		
Sundry income	£1,092.00		
Refunds			£730.00
Moving medicine – salary reimbursement		£12,545.68	£15,000.00
Donations			
	Total income	£267,547.00	£271,345.64
			£328,412.50

FSEM - Expenditure

Salaries, NI etc	£118,000.00	£103,927.72	£130,238.34
<i>FSEM Office costs:</i>			
Rent	£15,234.00	£15,538.00	£15,538.00
Printing & stationery	£610.00		£250.00
Website hosting	£8,928.72	£4,598.40	£2,838.00
Faculty diaries	£686.00	£0.00	£1,000.00
Merchandise	£339.00		
Postage	£2,050.08	£164.09	£750.00
<i>Subscriptions:</i>			
AoMRC Fees	£18,218.00	£18,218.00	£18,218.00
Other subscriptions & fees	£3,151.35	£1,533.65	£1,360.97
<i>Finance charges:</i>			
Bank charges	£621.57	£502.11	£448.62
GoCardless, WorldPay, PayPal charges	£813.84	£1,933.30	£2,323.37
<i>FSEM Exec and Council:</i>			
Council - room hire, travel and catering	£11,242.80	£2,418.98	£0.00
Facility & Office costs for AGM	£412.49		
BT Conferencing/GoToMeeting	£1,593.60	£1,200.00	£0.00
Zoom licence			£107.00
President and Council expenses (travel, subsistence, accommodation)	£4,437.63	£575.75	£200.00
<i>FSEM Diploma Day:</i>			
Diploma ceremony : Room hire, catering, travel expenses, hotels; Calligrapher; Flowers.	£19,001.16	£800.00	£20,000.00
Gowns, engraving, medals etc	£15.00		£100.00
Chain of Office		£1,750.00	

<i>Appraisal/Revalidation:</i>			
Revalidation: "Suitable person"	£10,200.00	£12,025.00	£13,200.00
Appraisal costs	£25,200.00	£22,750.00	£31,500.00
Appraisal expenses	£2,143.00	£0.00	
Appraiser Training and MIAD's 5-year audit	£1,403.00	£1,882.00	£540.00
<i>Examinations & prizes:</i>			
Exam expenses: Actors, catering, travel & Subsistence, accommodation, Invigilator	£7,331.00	£6,951.56	£12,163.15
RCSEd exam team costs (advertising, manage applications, check eligibility candidates, liaise with Q bank)	*	*	£21,440.00
Psychometric for Membership Exam & Examiner training	£1,100.00	£3,900.00	£3,900.00
Question writing - Membership	£4,574.00	£694.58	£2,447.00
Exam committee - DipMSK			£1,817.96
Psychometric for MSK Exam & Standard Setting			£2,100.00
USEMS Essay Competition			£500.00
<i>Sundry and miscellaneous expenditure:</i>			
External confs	£1,370.00		
FSEM Charity registration - expenses, planning, legal costs etc.			£15,000.00
COVID video through Moving Medicine		£8,000.00	
Total expenditure	£258,676.24	£209,363.14	£297,980.41
	Surplus (deficit)	£8,870.76	£61,982.50
			£30,432.09

Notes:

Appraisal / revalidation income and expenditure are based on expected numbers, but many remain outstanding at the time of this report. Figures may therefore change.

Some exam expenses for 2020 were paid Jan 2021, hence the lower than expected 2020 figure, and higher than expected 2021 figure – as values are given for when payments made.

The invoice from RCS(Ed) exam dept costs for 2017, 2019, 2020 was paid in 2021 hence this cost.