

Charity No: 221438

# **PHARMACIST SUPPORT**

**(THE WORKING NAME OF THE BENEVOLENT FUND OF  
THE ROYAL PHARMACEUTICAL SOCIETY OF GREAT BRITAIN)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**Pharmacist Support (the working name of the Benevolent Fund of the Royal  
Pharmaceutical Society of Great Britain)  
For the year ended 31 December 2008**

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For the year ended 31 December 2008**

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**Chairman's Report**

In 2008, the Trustees agreed to undertake a review of the Charity. This included a review of the Charity overall, a review of the products and services and a review of the financial arrangements including our reserves and risk strategy.

The effects of the world-wide economy provided the Charity with some challenges to consider. At the same time as the market value of the Charity's investments reduced in accordance with the downturn, the call for assistance on the Charity from members, their dependents and students increased as they became affected by the economic climate.

Fortunately, the Trustees had agreed an increase in products and services available as the worsening economic situation was becoming evident which put the Charity in a good position to help members, dependents and students in difficult times.

The Trustees undertook a review of the Charity's risks and are continually updating the register on a regular basis. This again helped the Charity during a difficult year.

2008 was a year of change for the Charity – a new working name, Pharmacist Support, a refocused and modernised Charity to meet the needs of members, their dependents and students not only now but for the years ahead.

The coming year will see the Charity develop in accordance with its Business Plan and the Trustees are looking forward to the challenges ahead.

*David Thomson, Chairman*

# **Pharmacist Support (the working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**

## **Annual Report**

### **For the year ended 31 December 2008**

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The Trustees of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain (the "Charity") present this report and the audited financial statement of the Charity for the year ended 31 December 2008. The financial statements comply with current statutory requirements, the Trust Deed and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

#### **Reference and Administrative Details**

The Benevolent Fund of the Royal Pharmaceutical Society of Great Britain is a registered charity (No. 221438) and during 2008, the Trustees agreed to rename the Charity under the working name of "Pharmacist Support." Its registered office is as shown on page 12 of this document.

Also during 2008, the Charity received formal clearance from the Charity Commission to transfer the assets of the smaller subsidiary charities (Hills Orphan Fund, Orphan Fund, Birdsgrove House Fund and TT Hora) into the main Charity. This was completed during the year and the transfer has been noted in the financial statements reported in the year.

The Emergency Fund remains a subsidiary of the Charity and the Trustees are seeking formal clearance from the Charity Commission to transfer these funds into the main Charity during 2009.

The names of the present Trustees are listed on page 12.

#### **Structure, Governance and Management**

The Charity is governed by eight trustees who comprise two members of the Royal Pharmaceutical Society of Great Britain ("the Society") Council, four fellows of the Society and two lay persons.

During 2008, the Trustees re-appointed the Chairman, Vice Chair and Treasurer.

The eight Trustees are supported by employees of the Society under an informal agreement. In accordance with good practice, the Society and the Charity are currently agreeing a service level agreement that will form the basis of specific activities to be undertaken for the Charity. The service level agreement will allow for quarterly formal performance reporting to the Charity.

The Charity is administered by a full-time manager, a full time information and administration officer and a part time case worker. The Charity also relies on volunteers and other third parties for administration and management assistance in relation to the operation of the stress support service, the Listening Friends scheme, and the addiction service, the Pharmacists Health Support Programme. Operational policies and procedures are approved by the Trustees.

#### **Statement of Trustees' Responsibilities and Corporate Governance**

The Trustees are responsible for both their annual report and also for the preparation of financial statements for each financial year, which give a true and fair view of the incoming resources and the application of resources of the Charity during the year. The Trustees also have a responsibility to consider the financial situation at the end of each financial year. In preparing these financial statements, the Trustees are required to:-

- ensure that the most suitable accounting policies are established and applied consistently;
- make judgements and estimates which are reasonable and prudent;
- state whether the applicable accounting standard and statement of recommended accounting practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

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## **Annual Report**

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The Trustees have overall responsibility for ensuring that the Charity has appropriate systems and controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity enabling them to ensure that the Financial Statements comply with current statutory requirements, the terms of their trust and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005). They are also responsible for safeguarding the assets of the Charity and for their proper application as required by charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Charity is operating efficiently and effectively;
- all assets are safeguarded against unauthorised use or disposition and are properly applied;
- proper records are maintained and that financial information used within the Charity, or for publication, is reliable;
- the Charity complies with relevant laws and regulations.

### **Policies and Procedures for Induction and Training of Trustees**

Any new Trustee being appointed during any financial year will be given the following training as part of their induction:-

- An overview of the Charity's objectives, current activities and plans for the future.
- An overview of their responsibilities upon becoming a Trustee of the Charity.
- An overview of the current and previous financial performance of the Charity.
- An overview by the Investment Managers of the current investment performance, policy and strategy.
- Any other information that is relevant at the time of joining.

As part of ongoing current Trustee development, training needs are identified and Trustees are encouraged to undertake relevant training with external training organisations or associated companies to ensure their knowledge and understanding of their role is sufficient and up to date. In addition, it is expected that they attend specific Charity Trustee training courses and any other relevant courses to ensure they undertake the role to the highest standard and their knowledge is kept current.

### **Corporate Governance**

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the executive management and the Trustees. A programme of internal audits is in place to take account of potential risks for the Charity.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- a strategic plan and annual budget approved by the Trustees;
- regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- delegation of day-to-day management authority and segregation of duties; and
- identification and management of risks.

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## **Risk Management**

The Trustees are continually updating their risk register and have held several meetings during the year to discuss and identify current and potential risks. The current world-wide economic down-turn has ensured the Trustees keep the Charity's risks at the forefront of their minds to ensure they take appropriate action to ensure not only financial risks but other risks are minimised, where necessary.

The Trustees received risk training during the year by Horwath Clark Whitehill which has proved beneficial and has assisted the Trustees in maintaining an up-to-date risk register.

## **Objectives and Principal Activities of the Charity**

The Charity has been established under a Declaration of Trust which was adopted on 27 November 2006. The principal objective under the provisions of the Declaration of Trust was and remains the relief of financial need or other distress amongst members, former members of the Society and their widows, widowers, dependents or orphans and pharmacy students.

The Trustees must use the income and may use the capital of the Charity in promoting its objects and have express powers in this respect. The Charity is financed partly from the income from invested capital and partly from annual donations that are subject to gift aid, and bequests from the estates of pharmacist members.

Information and advice about the assistance available from the Charity can be obtained direct from the Pharmacist Support registered office.

### **Assistance**

The Charity continues to provide financial assistance and pastoral support to individuals in need or vulnerable through illness or disability. This has included provision of regular grants, subject to annual review, as well as one-off payments and loans. No genuine cases of necessity, either temporary or permanent are refused assistance.

During the year, in furtherance of the Charity's objectives, the Trustees have continued to finance both the advice and information service, the Listening Friends scheme, which provides stress counselling to members, and the Pharmacy Health Support Programme which provides guidance to pharmacists and their immediate families affected by drug and/or alcohol dependency problems. .

### **Rest, Recuperation and Rehabilitation**

Although the Charity no longer offers its own facility for Rest, Recuperation and Rehabilitation, it still continues to provide financial assistance to individuals who require support in this area. This is achieved by providing assistance by way of a grant in full or a subsidy as a contribution towards costs.

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## **Treasurer's Statement**

The Trustees have found the current year both interesting and uniquely challenging due to the extreme market volatility affecting economies worldwide. The Charity has been affected by the down-turn and the Trustees have taken steps to ensure the Charity remains fit to meet its charitable objectives.

The Trustees have continued to monitor progress against the 3 year financial strategy they adopted and have successfully managed to balance both the demands on the Charity from members with the changing financial position driven by a strained economy. In addition, the Trustees have been required to alter the financial strategy to reflect the changing environment and increased demand placed on the different products and services.

### **Assets**

Where possible, the Trustees took appropriate steps to ensure that the long-term financial well-being of the Charity was secure, identifying a number of areas where action could be taken. This included:-

#### **Spreading Risk**

As an outcome of careful monitoring, the Trustees took the unusual step of spreading the Charity's cash reserves across several banks. This included opening accounts with banks that had higher financial liquidity than those supporting the Charity's existing banking arrangements. This ensured that the cash capital sum remained available and intact, without risk, at all times.

#### **Addressing the Investment Value**

As with many other Charities, the valuation of the investments took a significant hit, particularly during the 3<sup>rd</sup> and 4<sup>th</sup> Quarter of the year. On behalf of all Trustees, a proactive approach with our investment managers was taken and a number of meetings held in an endeavour to ensure that the long-term strategy developed for the Charity would not suffer. The Trustees continue to fulfil the long-term strategic investment objective despite the current fall of 21% in the investment value during the year.

#### **Revaluing Properties**

Responding to current market conditions, the Trustees agreed a change to the normal accounting practices to be taken at the year-end to revalue our investment properties in Edinburgh ahead of the required 3-year cycle. The Charity's property agents advised the Trustees this investment has reduced in value by 15%. This has been reflected in the financial statements.

### **Strategic direction**

The Trustees recognised that in light of the current economic climate, the potential demands on the Charity in 2009 and beyond, could be considerable. In anticipation of this, the financial strategy will continue to be monitored closely and amended as deemed appropriate, to ensure the long-term financial viability of the Charity.

### **Income**

Despite the difficulties faced, the Charity's income in 2008 remained stable. With a greater emphasis placed on promotional activities, the Trustees saw generous donations and legacies from members rise, and wish to record once again their thanks for the continuing support of the Charity by pharmacists and their families. The Charity's income from its investment portfolio also continued to improve, with investment managers securing an overall increase of 12%.

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In addition, during the year the sale of the Charity's remaining property in Derbyshire, (Spring Cottage), achieved a sale price of £315k, and the Charity benefited from a generous gift aid donation of £100k from the Royal Pharmaceutical Society of Great Britain. Pharmacist Supports' finances remain in good order.

**Expenditure**

In late 2007, the Trustees undertook a strategic review of the Charity's expenditure in order to extend the range of services and support provided to members and their families. In addition, funds were to be made available to reposition and modernise the Charity, and to increase members' awareness of the products and services available.

Trustees' expenses in 2008 of £10k, were slightly higher than in previous years. This increase was due to a greater number of Trustee and working group meetings in the lead up to the re-launch as "Pharmacist Support" at the British Pharmaceutical Conference in Manchester in September and to develop the Charity's product and service offerings during year.

All other expenditure throughout the year was controlled and maintained within the budget set by the Trustees.

*Dr Leonard Brookes, Treasurer*

**Achievements and Performance**

This year's key objectives and the impact of the achievements are summarised as follows: -

**Benevolence**

The Charity continued to meet its key objective to provide assistance and pastoral support to pharmacists or their dependents in need or vulnerable through illness or disability.

i) *Individual financial assistance*

The ways in which financial provision has been made available have included regular grants, subject to annual review, as well as one off payments and loans. No genuine cases of hardship or distress, either temporary or permanent were refused assistance.

The result has been that during the year 95 members of the Society, former members, their widows, widowers or dependants received household / miscellaneous grants totalling £120,797, (2007 – 126 individuals received a total of £47,465). In addition 68 beneficiaries continued to receive annual grants totalling £71,391, (2007 – 50 individuals received a total of £50,626). 30 new case files were opened for beneficiaries to receive financial help.

Assistance continues to be provided in a number of ways according to the needs of the beneficiary. For example, a small grant to purchase a computer for a housebound widow living on means tested benefits means that this beneficiary can keep in contact with friends and family, thus fulfilling a social need, and a grant towards the cost of a specially adapted vehicle for a disabled pharmacist will help to increase this person's need to remain independent.

Larger grants have been awarded where, for example, a beneficiary is unable to work due to illness. In this instance, the Charity has often provided financial support for a limited period until the beneficiary is able to return to employment. Often, when this type of crisis occurs, people may be left unable to meet their expenditure obligations, such as large mortgages, car repayments and loans. Wherever possible, the Charity has tried to assist the beneficiary by easing the financial pressure while working to achieve resolution of their problems.

The Charity continues to provide annual grants to elderly beneficiaries and younger beneficiaries when they are unable to work through disability or illness. These grants are provided, in the main, to help them budget for their day to day needs.

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The Trustees note a discernable trend amongst applicants: more younger members and in particular pre registration trainees are seeking assistance. This is generally to help cope with a particular crisis brought about by illness, disability, family breakdown or financial issues.

*ii) Pastoral care and support*

The Charity has continued to provide pastoral support to a large number of beneficiaries. For many, this contact is a lifeline. In recognition of the need that many beneficiaries have for face-to-face contact the charity decided to recruit a small group of pharmacists to act as 'home visitors'. This initiative will be developed in 2009.

**Information and Advice**

i) Access to specialist advice

The Trustees continue to see an increase in levels of debt amongst beneficiaries during the year with many of those approaching the Charity in serious financial difficulties. In response to this growing trend, the Trustees agreed to set up a specialist debt and benefits advice service in partnership with the Citizens Advice Bureau in Manchester. This has proved very beneficial to members and their dependents. 36 clients have received specialist advice. Support through this service has helped members access £18,500 in additional benefits and has helped members to reschedule a total of £280,000 of non priority debt, in addition to helping a number of members keep their homes following the start of repossession proceedings.

ii) Information and Signposting

The Charity received some 200 enquiries for general information or 'signposting'. This is an area of growing need and we are keen to develop its resources to meet this need and be seen as the first point of contact for pharmacists requiring information and signposting help.

The launch this year of the Charity's website, which includes an information directory, is part of this wider initiative.

**Listening Friends**

The number of members suffering from stress who have approached the Listening Friends telephone help scheme for assistance has increased steadily over the past year. 98 new clients have been assisted by the scheme, which dealt with 309 calls during the year. Over 50% of calls came from members under the age of 31. As a result of the increased demand being placed upon the service, an additional 12 volunteers were recruited who will commence training in early 2009. Two training weekends and an additional training event for new volunteers were held in the year.

**Addiction**

In 2008, the Trustees were notified of the retirement of the Pharmacist Health Support Programme's national coordinator who set-up and ran the programme for many years. The Trustees appointed a new coordinator (who had previously been assisting with the programme for a number of years in a voluntary capacity) on a short term contract to manage it and help them review the future development of this support service.

During the year, the programme assisted 24 new pharmacists with their addiction issues. This help included providing access for some to receive in-patient treatment, encouraging others to attend meetings of the local Health Professionals Support Groups (where they would meet similarly affected health care professionals), and to attend Alcoholics Anonymous or Narcotics Anonymous where appropriate.

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**Property**

Spring Cottage, the remaining property in Derbyshire, was sold during the year for £315k.

The Charity owns 34, 36 and the basement of 38 York Place in Edinburgh. The Scottish Office of the Society occupies 36 York Place. The adjacent properties remained vacant during the year. The Trustees have continued discussions with the Society with regard to the tenancy of its Edinburgh office. Due to the age of the building, the property requires significant expenditure and modernisation if it is to meet the standards expected now. The cost of undertaking such works would be considerable and might not be considered financially viable. Final decisions about its future will be made during 2009.

**Business Plan**

Throughout the year, as part of the business planning process, Trustees continued to refine and revise their plans for the Charity and with the current worldwide economic down-turn, to monitor the Charity's financial position and budgets. The results of the membership survey and research commissioned during 2007 was incorporated into this. The plan will continue to be reviewed regularly and updated on an annual basis.

**Brand re-launch**

The successful re-launch of the Charity and its extended range of services under the working name of Pharmacist Support at the British Pharmaceutical Conference in September highlighted that many members were not aware of the Charity's existence or knew about the services the Charity offered. Funds were made available to undertake the re-brand and ensure that the Charity was promoted within the pharmacy press and events.

**Donations and Legacies**

The Charity does not spend its resources on active fundraising and relies on donations and legacies from the Society's members to fund its activities. The Society assists the Charity by facilitating donations to be made by members as part of the annual retention fee process. Such charitable donations can be made under the gift aid scheme to maximise their value to the Fund and in future it is intended that it will be possible to make on-line donations at any time via the Charity's website.

The Charity continues to benefit from the legacies of members who have made gifts in their wills to the Charity. This is very much appreciated and the Charity would like to encourage other members to remember the Charity when making their wills to provide us with the necessary funds to fulfil the Charity's remit to support pharmacists in the future.

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**For the year ended 31 December 2008**

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## **Financial Review and Results for the year**

The Statement of Financial Activities (SOFA), set out on page 14, shows that gross income has decreased by £1.5 million in the year to £1.0 million and expenditure on charitable activities has increased by £138k to £450k. Total resources expended of £628k (2007: £402k) resulted in a net inflow for the year of £404k (2007: inflow of £2.1 million). After taking into account an overall loss on our investment portfolio, the property disposal during the year and the investment property revaluation and addition of other charitable funds merged during the year, the total fund balance increased by £2.4 million (2007: £2.4 million) to £10.7 million (2007: £13.0 million).

The funding has been applied to the objectives of the Charity; the funding received has been made available without restriction as to its usage.

The Treasurer's Statement provides a fuller report.

## **Financial Management Policies**

### **Reserves**

The Trustees' reserves policy is firmly linked to ensuring that the Charity remains sufficiently resourced to generate funds enabling it to provide assured support to beneficiaries to whom it directs its core services and assistance,

The effects of the global economic downturn in 2008 gave weight to the Trustees' view that this is an appropriate policy to follow in uncertain times, ensuring some mitigation from exposure to any unforeseen downturn of income, whether from investment returns or donations) and increases in demands for support. They will continue regularly to review the level of the reserves

## **Investment Policy and Performance**

The investment policy continues to be to maximise the long-term total return of the Charity's investment funds subject to the risks normally associated with a balanced approach to portfolio management. This includes an ethical stance that excludes any investment in specific sectors or organisations. In addition, the Charity does restrict its fund managers to invest only in companies that have appropriate governance and social responsibility policies. The Trustees also require that the activities of these companies will be monitored both against their own standards and policies and also against the standards of society generally. The performance of the funds is measured against VM Unconstrained Charity Index. The total return for the year ending 31 December 2008 was -8.4%, which was 0.6% above the benchmark index of -9.0%.

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**For the year ended 31 December 2008**

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## **Employees**

The Charity does not directly employ any staff. All those working on the affairs of the Charity are employed through the Society and a recharge of actual salary costs is made on a monthly basis. For accuracy and transparency, the annual report shows the number of employees on page 20.

The Charity aims to be an organisation where those Society employees enjoy a sense of fulfilment and where they feel supported and developed. Employees are kept fully informed about its strategy and objectives, as well as day-to-day news and events. Regular information about the Charity is available through meetings and briefings. All employees are encouraged to give their suggestions and views on performance and strategy.

The Charity in association with the Society supports equal opportunities. A policy of recruitment and promotion on the basis of aptitude and ability without discrimination is followed. The Society on behalf of the Charity pursues a policy of both employing disabled people whenever a suitable vacancy arises, and continued employment and retraining of employees who become disabled whilst employed by the organisation.

The Charity is committed to the training, career development and promotion of all Society's employees. An individual's career development is assessed through annual appraisal and supervision and feed-back is provided to the relevant Society management. Training programmes are provided to meet any ongoing needs, with the aim of developing employees for both their current and future roles.

## **Future Plans**

The Trustees believe the Charity continues to report a sound financial basis upon which to build for the future. In 2008, the Trustees have set the following objectives:-

### Beneficiary Objectives

- To increase the product and service offering to meet changing needs within the current and future economic climate.
- To continue to offer a wide range of information sources to assist beneficiaries.
- Follow-up and seek feedback from beneficiaries on the service offering on a regular basis.

### Management Objectives

- To keep the risk register updated and developing in accordance with the changing business and economic climate.
- To complete a Service Level Agreement with the Society.
- To update the policies, procedures and governance documents for the Charity.
- To enhance the profile of the Charity through various marketing means including attendance at conferences, working with major employers and schools to develop the voice and awareness of the Charity.
- To review the Investment portfolio to secure funding for further expansion of the Charity.
- To undertake a sale of the investment properties in Edinburgh.
- To ensure the Charity is aware of the needs of the Pharmacy community via ongoing research.

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Pharmaceutical Society of Great Britain)  
Legal and Administrative Details  
For the year ended 31 December 2008**

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**Members of the Trustee Board**

**Chairman**

Mr David Thomson

**Vice-Chairman**

Mr David Morgan

**Treasurer**

Dr Leonard Brookes

**Trustees**

Miss Seema Agha  
Mrs Catherine Beman  
Professor David Johns  
Mrs Doreen Laity  
Mr Arthur Williams

**Principal Office**

1 Lambeth High Street,  
London.  
SE1 7JN.

**Principal Professional Advisers**

**Solicitors**

Bates Wells & Braithwaite,  
2 – 6 Cannon Street,  
LONDON.  
EC4M 6YH.

**Auditors**

Horwath Clark Whitehill LLP,  
St Bride's House,  
10 Salisbury Square,  
LONDON.  
EC4Y 8EH.

**Bankers**

National Westminster Bank,  
91 Westminster Bridge Road,  
Lambeth,  
LONDON.  
SE1 7HW.

**Investment Managers**

Investec Asset Management,  
2 Gresham Street,  
LONDON.  
EC2V 7QP.

*By order of the Trustees:*

**Mr David Thomson**  
**Chairman**  
6 May 2009

**Dr Leonard Brookes**  
**Treasurer**

**Pharmacist Support (The working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**  
**Independent Auditors' Report to the Trustees**  
**For the year ended 31 December 2008**

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We have audited the financial statements of the Benevolent Funds of the Royal Pharmaceutical Society of Great Britain for the year ended 31 December 2008 which comprise the Treasurer's Statement, Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and its trustees as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of trustees and auditors**

The trustees' responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on pages 3 to 5.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it. We also read the other information contained in the Trustees' annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

**Unqualified opinion**

In our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 December 2008 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

**Horwath Clark Whitehill LLP**  
Chartered Accountants and Registered Auditors  
6 May 2009

St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

**Pharmacist Support (The working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**  
**Statement of Financial Activities**  
**For the year ended 31 December 2008**

	Notes	2008 Unrestricted Funds £'000	2008 Restricted Funds £'000	2008 Total £'000	2007 Total £'000
<b>Incoming Resources</b>					
<b>Generated funds:</b>					
<b>Voluntary Income</b>					
Donations, gifts and unrestricted grants		126	-	126	19
Legacies		102	-	102	35
<b>Activities of generating funds:</b>					
Investment and other income	2	439	-	439	453
<b>Incoming resources from charitable activities:</b>					
Other incoming resources		315	-	315	2,006
TT Hora funds		50	-	50	
<b>Total incoming resources</b>		<b>1,032</b>	<b>-</b>	<b>1,032</b>	<b>2,513</b>
<b>Resources Expended</b>					
<b>Costs of generating funds:</b>					
Investment management fees		20	-	20	22
Brand re-launch		91	-	91	
<b>Net incoming resources available for charitable application</b>		<b>921</b>	<b>-</b>	<b>921</b>	<b>2,491</b>
<b>Charitable activities by objective:</b>					
Benevolence		348	-	348	236
Advice and support		35	-	35	33
Addiction support		67	-	67	43
		450	-	450	312
<b>Governance costs</b>		<b>67</b>	<b>-</b>	<b>67</b>	<b>68</b>
<b>Total resources expended</b>	3	<b>628</b>	<b>-</b>	<b>628</b>	<b>402</b>
<b>Net incoming resources before investment gains/losses</b>		<b>404</b>	<b>-</b>	<b>404</b>	<b>2,111</b>
(Loss)/gain on investments		(2,464)	-	(2,464)	406
Property disposal costs		-	-	-	(378)
Investment property revaluation		(293)	-	(293)	295
Transfer restricted funds to unrestricted	4	4,393	(4,393)	-	
		1,636	(4,393)	(2,757)	323
<b>Net movement in funds</b>		<b>2,040</b>	<b>(4,393)</b>	<b>(2,353)</b>	<b>2,434</b>
<b>Reconciliation of funds</b>					
Balances brought forward		8,617	4,393	13,010	10,576
<b>Fund balances carried forward</b>		<b>10,657</b>	<b>-</b>	<b>10,657</b>	<b>13,010</b>

**Pharmacist Support (The working name of the Benevolent Fund of the Royal  
Pharmaceutical Society of Great Britain)  
Balance Sheet  
As at 31 December 2008**

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	Notes	2008 £'000	2007 £'000
<b>Fixed Assets</b>			
Tangible assets	6	-	-
Investments	7	9,235	11,557
		<u>9,235</u>	<u>11,557</u>
<b>Current Assets</b>			
Other debtors		84	90
Cash at bank and in hand		1,353	1,416
Cash – TT Hora		50	-
		<u>1,487</u>	<u>1,506</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>65</u>	<u>53</u>
<b>Net current assets/(liabilities)</b>		<u>1,422</u>	<u>1,453</u>
<b>Net assets</b>		<u><b>10,657</b></u>	<u><b>13,010</b></u>
<b>Capital funds</b>			
Restricted funds	9 (i)	-	4,393
Unrestricted charitable funds	9 (ii)	10,657	8,617
		<u><b>10,657</b></u>	<u><b>13,010</b></u>

The financial statements on pages 14 to 24 were approved and signed on behalf of the Trustees on 6 May 2009 by:

**Mr David Thomson**  
Chairman

**Dr Leonard Brookes**  
Treasurer

**Pharmacist Support (The working name of the Benevolent Fund of the Royal  
Pharmaceutical Society of Great Britain)  
Notes to the Financial Statements  
For the year ended 31 December 2008**

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**1. Accounting policies**

**Accounting convention**

These financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with applicable accounting standards and comply with the current Statement of Recommended Practice "Accounting and Reporting by Charities" (the Charities SORP) issued in March 2005.

A summary of the accounting policies which have been applied consistently is set out below.

**a) Incoming resources**

Income from investments is included in the financial statements when receivable. A legacy would be regarded as receivable when it has become reasonably certain that the legacy will be received and the value of the incoming resource can be measured with sufficient reliability. All other sources of income are included in the financial statements on an accruals basis.

**b) Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular objectives, they have been allocated to activities on a basis consistent with the use of the resources.

**Cost of generating funds**

These represent professional fees incurred in relation to the administration and management of the Charity's investment properties and security based investment portfolio.

**Charitable activities**

These include cost of grants, staff costs and other support costs directly incurred in meeting the Charity's objectives.

Grants and annuities represent benevolent payments to members, former members of the Society, their widows, orphans or their dependants, and students within the Schools of Pharmacy. Financial assistance can be in the form of temporary loans, payment of specific living expenses, annual Society retention fees. Applications for grant assistance are considered locally by the Pharmacist Support Manager on their merits, ensuring compliance with the Charity's objectives, and in accordance with guidelines issued by the Trustees.

Support costs not directly attributable to individual objectives are allocated on an annual basis, based on the number of employees.

**Governance costs**

Governance costs are those associated with constitutional and statutory requirements together with the costs of the Society's Charities Officer who is responsible for the day-to-day governance matters of the Charity.

**Pharmacist Support (The working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2008**

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**1. Accounting policies (continued)**

**c) Fund Accounting**

General unrestricted funds represent unrestricted income, which is expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

Restricted funds are subject to specific conditions imposed by the donor or by the specific terms of a trust deed or other legal measures.

**d) Tangible fixed assets**

Freehold properties

Freehold land is not depreciated. Freehold properties are depreciated to their estimated residual values over their estimated economic lives. The principal annual rate in use is 2% per annum.

Motor vehicles & equipment

Depreciation is calculated on motor vehicles and equipment so as to write off the cost of the assets, less their estimated residual values, in equal annual instalments over their expected useful economic lives. The principal annual rates in use are as follows:

Motor vehicles and other equipment	5 years
Computer equipment	12 months

**e) Investments**

Investments held as fixed assets are stated at market value.

Any surplus or deficit realised on the disposal of investments is included in the Statement of Financial Activities in arriving at the net incoming resources for the year. Any unrealised surplus or deficit incurred in revaluing investments at the year end is separately stated in the Statement of Financial Activities.

**f) Investment properties**

Investment properties are revalued every three years and included in the balance sheet at their open market value. In accordance with SSAP 19, no depreciation is provided in respect of investment properties. This represents a departure from the normal accounting practice concerning the depreciation of fixed assets. These properties are held for investment purposes and the Trustees consider that the adoption of this policy is necessary to give a true and fair view.

Full valuations of investment properties are made by independent professionally qualified valuers every three years, and in the intervening years these valuations are updated by the Trustees with the assistance of independent professional advice as required. The basis of the valuation is explained in note 6.

**g) Gifts in kind**

The value of services or facilities provided free of charge is recognised in the Statement of Financial Activities as both income and expenditure where the benefit is quantifiable and material, and where the service or facility would otherwise have been purchased.

**Pharmacist Support (The working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2008**

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**1. Accounting policies (continued)**

**h) Foreign exchange**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling at the Balance Sheet date. Foreign exchange differences are taken to the Statement of Financial Activities in the year in which they arise.

**i) Taxation**

As a registered charity, the charitable funds are exempt from certain elements of corporation tax but not from VAT. Irrecoverable VAT is, in accordance with standard accounting practice, included in the cost of those items to which it relates. Income tax recoverable on income received under Gift Aid donations is accounted for on a receivable basis.

**j) Cash flow statement**

The Charity is exempt from the requirement to publish a cash flow statement on the basis that it qualifies as a small charity.

**k) Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

**2. Investment and other income**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Income from U.K. listed investments	233	260
Income from overseas listed investments	83	22
Interest receivable	48	54
Rental income	75	117
	<u>439</u>	<u>453</u>

**Pharmacist Support (The working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2008**

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**3. Analysis of Total Resources Expended**

	<b>Staff Costs 2008 £'000</b>	<b>Support Costs 2008 £'000</b>	<b>Grant Costs 2008 £'000</b>	<b>Treatment Costs 2008 £'000</b>	<b>Other Costs 2008 £'000</b>	<b>Total Costs 2008 £'000</b>	<b>Total 2007 £'000</b>
<b>Costs of generating funds:</b>							
Investment mgt. fees	-	-	-	-	20	<b>20</b>	22
Branch re-launch	-	15	-	-	76	<b>91</b>	-
<b>Charitable Activities:</b>							
Benevolence	77	11	192	1	67	<b>348</b>	236
Listening Friends Scheme	15	20	-	-	-	<b>35</b>	33
Pharmacy Health Support Programme	-	5	-	19	43	<b>67</b>	43
	<u>92</u>	<u>51</u>	<u>192</u>	<u>20</u>	<u>206</u>	<b><u>561</u></b>	<u>334</u>
<b>Governance Costs</b>	24	-	-	-	43	<b>67</b>	68
	<u><b>116</b></u>	<u><b>51</b></u>	<u><b>192</b></u>	<u><b>20</b></u>	<u><b>249</b></u>	<b><u>628</u></b>	<u>402</u>
			<b>Mgt. 2008 £'000</b>	<b>Finance 2008 £'000</b>	<b>H.R. 2008 £'000</b>	<b>Total 2008 £'000</b>	<b>Total 2007 £'000</b>
<b>Support Costs</b>							
Benevolence			9	12	7	<b>28</b>	28
			<u>9</u>	<u>12</u>	<u>7</u>	<b><u>28</u></b>	<u>28</u>

**4. Transfer restricted funds to unrestricted**

Following the merger of other charities effected under Section 74 Charities Act 1993, all funds were recategorised as unrestricted.

**Pharmacist Support (The working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2008**

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**5. Staff Costs**

The Charity does not directly employ any staff. All those working on the affairs of the charity are employed through the Society and a recharge of actual salary costs is made on a monthly basis. Staff costs and staff numbers are shown as an indication of the staff involvement within the Charity.

Staff costs recharged to the Charity may be analysed as follows:-

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	90	90
Social security costs	8	7
Pension costs	18	14
	<u>116</u>	<u>111</u>

An additional pension fund payment was made during 2008 by the Society for a contribution to its deficits. Costs of the payment were allocated to each employee participating in the final salary scheme.

The average full time equivalent number of staff during the year was:

	<b>2008</b>	<b>2007</b>
	<b>No.</b>	<b>No.</b>
Benevolence	2.5	2.5
	<u>2.5</u>	<u>2.5</u>

During the year no member of staff received a gross salary exceeding £60,000 (2007 £nil).

During the period no salary payments were made to any Trustee. Trustees were reimbursed for travel and subsistence expenses for attending any meeting or training course. This amounted to £9,769 for the year (2007: £7,672).

**Pharmacist Support (The working name of the Benevolent Fund of the Royal  
Pharmaceutical Society of Great Britain)  
Notes to the Financial Statements (continued)  
For the year ended 31 December 2008**

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**6. Tangible fixed assets**

	<b>Equipment</b>	<b>Total</b>
	<b>2008</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>		
As at 1 January 2008	25	25
Additions	-	-
Disposals	-	-
At 31 December 2008	<u>25</u>	<u>25</u>
<b>Depreciation</b>		
At 1 January 2008	(25)	(25)
Charge for the year	-	-
Disposals	-	-
At 31 December 2008	<u>(25)</u>	<u>(25)</u>
<b>Net book value</b>		
At 31 December 2008	<u>-</u>	<u>-</u>
At 31 December 2007	<u>-</u>	<u>-</u>

The net book value at 31 December 2008 represents fixed assets used for:

	<b>£'000</b>
Direct charitable purposes	<u>-</u>

**Pharmacist Support (The working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2008**

**7. Fixed asset investments**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Investment properties (note 6a)	1,657	1,950
Market value of investments listed on a recognised Stock Exchange (note 6b)	7,578	9,607
	<u>9,235</u>	<u>11,557</u>

**7a. Investment properties**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Valuation 1 January	1,950	1,655
Revaluation in year	(293)	295
Valuation 31 December	<u>1,657</u>	<u>1,950</u>

The investment properties were valued independently as at 31 December 2007 on the basis of open market value by J. & E. Shepherd's, a firm of independent Chartered Surveyors. The next valuation will be undertaken at 31 December 2010.

In the light of current economic conditions and property values, the Trustees agreed to have an interim short valuation as at 31 December 2008 and a reduction reported within the accounts to reflect the true market value of the property.

If the investment properties had not been revalued they would have been included at their historical cost equivalent of £68,000.

**7b. Investments listed on a recognised Stock Exchange**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Market value 1 January	9,607	9,075
Less: disposals proceeds	(4,696)	(4,733)
Add: acquisitions at cost	4,820	5,437
Net (loss)/gain on revaluation at 31 December	(2,153)	(172)
Market value 31 December	<u>7,578</u>	<u>9,607</u>
Historical cost 31 December	<u>8,204</u>	<u>7,971</u>

**Additional information on investments**

Market value investments – UK	5,599	7,125
Market value investments – overseas	1,979	2,482
Market value 31 December	<u>7,578</u>	<u>9,607</u>

**Pharmacist Support (The working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2008**

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The following holdings represent more than 5% of the total value of investments:

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Investec Liquidity Sterling Class 1	-	621
Royal Dutch Shell B Shares	-	477
Investec Fund Managers Equity Inc	1,077	1,433
UK Treasury 5.000	416	-
HSBC Inv (UK) Ltd. Sterling Liq B	452	-
Investec AM (Ire) Liq Sterling	479	-
	<u>2,424</u>	<u>2,531</u>

All of the above assets were held for investment purposes rather than direct charitable purposes during the year.

**8. Creditors**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Balances with related parties (note 10)	40	12
Other creditors	25	41
	<u>65</u>	<u>53</u>

**9. Funds**

**(i) Restricted Funds**

	<b>As at 1 January 2008</b>	<b>(Outgoing)/ incoming resources</b>	<b>Realised gains</b>	<b>Unrealised gains</b>	<b>As at 31 December 2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Benevolent Fund	4,322	(4,322)	-	-	-
Birdsgrove House Fund	69	(69)	-	-	-
Hills Orphan Fund	1	(1)	-	-	-
Orphan Fund	1	(1)	-	-	-
	<u>4,393</u>	<u>(4,393)</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Pharmacist Support (The working name of the Benevolent Fund of the Royal Pharmaceutical Society of Great Britain)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2008**

(ii) Unrestricted Funds

	As at 1 January 2008	(Outgoing)/ incoming resources	Realised gains/(loss)	Unrealised gains/(loss)	As at 31 December 2008
	£'000	£'000	£'000	£'000	£'000
Benevolent Fund	4,987	7,974	(311)	(2,153)	10,497
Hills Orphan Fund	1,451	(1,451)	-	-	-
Orphan Fund	2,019	(2,019)	-	-	-
Emergency Fund	160	-	-	-	160
	<u>8,617</u>	<u>4,504</u>	<u>(311)</u>	<u>(2,153)</u>	<u>10,657</u>

(iii) Analysis of net assets between funds

	Unrestricted fund 2008	Restricted fund 2008	Total 2008
	£'000	£'000	£'000
Fund balances at 31 December are represented by:			
Tangible fixed assets	-	-	-
Investments	9,235	-	9,235
Current assets	1,487	-	1,487
Current liabilities	(65)	-	(65)
	<u>10,657</u>	<u>-</u>	<u>10,657</u>

**10. Related party transactions**

The Royal Pharmaceutical Society of Great Britain carries out administrative functions for the Charity. The Society also administers the investment properties on behalf of the Charity and provides advice, where necessary.

During the year the Society raised a management charge totalling £27,854 (2007: £27,854).

Additionally, the Charity received rental income of £75,000 from the Society's tenancy agreement for the occupancy of the Scottish Office from its investment properties (2007: £75,000).