

Pharmacist Support

**Annual report and financial
statements for the year ended
31 December 2011**

Charity number 221438

Pharmacist Support
Annual Report for the year ended 31 December 2011

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Report of the Trustees

The Trustees present their report along with the financial statements of the Charity for the year ended 31 December 2011. The financial statements have been prepared based on the accounting policies set out in note (1) to the financial statements and comply with the Charity's trust deed. Pharmacist Support is a Charity registered with the Charity Commission under registration number 221438.

Our legal objects

Pharmacist Support is a national, independent occupational benevolent fund for the benefit of pharmacists, their families and students of pharmacy. We are a non-political, non-religious organisation established by the Royal Pharmaceutical Society of Great Britain via their Royal Charter in 1843.

The Charity was governed by the Council of the RPSGB until 2006 when the current Board of Trustees were recruited and appointed to govern the organisation independently. The Charity is constituted under a trust deed dated 27th November 2006 (as amended on 8th September 2010), and we legally changed our name to Pharmacist Support in 2011. The trust deed defines the Charity's objects as being:

'The relief of financial need or other distress amongst members and former members of the Society and any individual who is or has ever been on the register of pharmacists maintained by the Society or the General Pharmaceutical Council and their widows, widowers, dependants or orphans, and amongst pharmacy students in Great Britain.'

Mission statement and aim

Our mission statement is

'To provide financial assistance and pastoral support to pharmacists and their families, former pharmacists and pharmacy students'

Our aim is to relieve poverty and financial hardship for pharmacists, former pharmacists and their families and students of pharmacy, and to provide effective support and information to promote a positive existence.

Activities

In carrying out its aims the Charity seeks to provide effective solutions to its service users which have a positive impact in both the short and long term. The Charity is committed to providing a range of services, under its benevolent remit, that are responsive to our service users needs, and are delivered in an empathetic and non judgemental manner.

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How we work

The Charity meets its charitable aims in two ways:

Internally provided services

A number of services are delivered directly by Charity staff and volunteers, for example, the enquiry line, telephone support service, home visiting, listening friends, awareness raising work and the assessment and administration of grants and loans.

Partnership services

Specialist assistance for individuals is provided via our partner organisations – Action on Addiction and Manchester Citizens Advice Bureau. Work carried out by partner organisations is particularly advantageous where it provides greater expertise in addition to a more resourceful and economic approach. 2011 also saw the introduction of a pilot scheme working with Chiumento, who provide specialist services to assist individuals returning to the workplace (see page 8 for further info).

We decide on how we develop our work by considering the following factors:

- a commitment to prevention or relief of financial hardship
- [the gathering of] information from other organisations, partners and service users about relevant areas, in line with our objects where our input would be valued and ultimately not well served by other organisations
- [assessment as to] the positive impact any service may be able to provide
- the availability of high calibre external partners willing and able to work with us
- the overall viability of the proposed activity.

Over the year we have provided almost 1000 acts of support to individuals, indirectly there has also been close to 10,000 interactions with individuals in need via our website, where we provide online information and downloadable factsheets. We seek to help people regardless of race, sexual orientation, religion, creed, disability, age or gender.

Further information on support provided by the Charity and the impact on individuals and families can be seen in the case studies section of our website www.pharmacistsupport.org/casestudies.asp

Voluntary help and gifts in kind

The Trustees are very grateful to the many volunteers who staff our Listening Friends helpline and home visiting scheme. Both schemes have a team of dedicated volunteers and neither service would be able to operate without their input.

We are also very grateful to the Pharmacy Magazine and ICP Magazine for providing free advertising to the Charity during 2011, and also to Chemist and Druggist and the Pharmaceutical Journal for providing free subscriptions to their publications. The Charity also wishes to thank the MINT hotel, Manchester for free meeting facilities during the year. A full list of organisations and individuals who generously provide discounts to the Charity will be acknowledged within our annual review.

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What we did: Activities, Achievements and Performance

Benevolence

The services listed below, (financial assistance, home visits and information and signposting) are defined under the heading of benevolence on page 17 of the SOFA which illustrates their total expenditure during 2011.

The Trustees are pleased to advise that they have met their key aim in providing financial assistance and pastoral support to pharmacists, former pharmacists and their families and students of pharmacy in need. The Charity considers applications for assistance from pharmacists who either are [or were] registered with the General Pharmaceutical Council or were registered with the previous regulator, the Royal Pharmaceutical Society of Great Britain. In addition we also consider applications from widows, widowers or dependants of pharmacists and from preregistration trainees. Students of pharmacy in Great Britain (specifically the MPharm course) are also eligible to apply for student hardship grants.

Financial Assistance

One of the main areas of benevolent expenditure for the Charity is financial assistance and this is comprised of both grants and loans. Financial assistance is usually in the form of a grant (either a one off, fixed term or regular grant) but may also be in the form of a loan or part grant/part loan.

During the year we received 148 applications for financial assistance (170 in 2010); 83 applications were from people contacting us for the first time (78 in 2010) and the remaining were from people submitting repeat requests for help, including 30 individuals in receipt of a regular annual grant. 19 people did not receive any financial assistance for a variety of reasons, for example not meeting our eligibility criteria or failing to respond when asked to submit further information. One person sadly died soon after submitting an application.

In total, 147 (152 in 2010) individuals received financial assistance from the charity, some of whom applied during 2011 while others continued to receive financial assistance following approval of an application dealt with the previous year. The total amount of grants given was £187,712 [this figure excludes grants made towards treatment costs, which are included in the addiction support costs at p7]. This was comparable to the previous year (£179,865 in 2010).

In 2011, of the total grants made, £10,600 was for student hardship grants (2010; £10,950). Student hardship grants are payable to students on the MPharm degree who are in financial hardship due to an unforeseen change of circumstances. These grants were capped at £500 per academic year, until increased by the Trustees to £1,000 in September 2011.

The Charity continued to provide a regular grant to 39 individuals (52 in 2010). In the main these are widows and widowers of pharmacists who have experienced financial instability since losing their spouses and have been adversely affected by the subsequent drop in income. Annual grant recipients receive regular funding either on a monthly, quarterly or annual basis as best suits their circumstances and the grants are subject to an annual renewal process. The Trustees are very sad to report that five of our beneficiaries passed away in 2011.

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The principal grant purpose in 2011 continued to be living costs and in terms of age the largest grant recipient group was, once again, working age pharmacists (66% of the total number of recipients were aged between 21 and 49). For the third consecutive year preregistration trainees were significant service users. This group generally have the lowest wages in the sector and are often managing a high amount of student debt, whilst completing their placements and preparing to sit the registration exam.

It is our policy not to use charitable funds to replace available state assistance. Advice is therefore offered to applicants to identify and claim their benefits and tax credits entitlements (via MCAB). This approach enables a more effective and sustainable use of charitable funds by topping up applicants' incomes, either in the short or long term, and ensuring that an adequate level of income is in place, which is commensurate with their circumstances.

Loans

Pharmacist Support offers interest free loans to individuals where appropriate for the applicants' particular circumstances and needs. Repayment schedules are flexible and tailored to the individual's financial situation, and we do not offer loans to people whose budgets and prospects are so limited that a grant would be more appropriate. During 2011 we made loans totalling £24,038 to 15 individuals (2010; £19,853).

The charity generally offers loans for smaller items of expenditure such as GPhC registration fees or indemnity insurance. These are usually made to people who are unable to pay such a lump sum cost. The provision of such a loan often brings about an immediate improvement in circumstances, for example, by enabling a pharmacist to practice and therefore earn. They then have the capacity to repay the loan without detriment to their standard of living.

Home visits

Home visits assist us to better understand our beneficiaries' needs and circumstances and also promote a greater awareness as to what we can offer to people, and how we are able to support them.

Home visits are delivered by one of our team of volunteers. We match the volunteer with the beneficiary taking into consideration a number of factors (for example the background of the individual, whether they or their spouse were the pharmacist, as well as the geographical location). In addition to the team of volunteers, we may utilise a member of staff depending on the purpose of the visit as well as the needs of the beneficiary. The Trustees are pleased to report that this service provided 20 visits during 2011 at a total cost of £1,591 (2010; £1,495).

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Information and signposting service

During 2011 enquiries rose by 16% on the previous year and we received a total of 404 enquiries (347 in 2010). Over half of these were from registered pharmacists with a further quarter being made up of preregistration trainees. Enquiries were wide ranging and we categorise them into seven broad topics. The most common area of enquiry is financial issues with employment close behind. The popularity of an enquiry subject continues to inform our fact sheet topics, and during 2011 we added new factsheets on the topics of bullying as well as options for people who fail the third sitting of the registration exam.

The information service aims to provide an answer to an enquiry or signpost the enquirer on to an authoritative source. Demand for this service continues to grow and these enquiries support our social policy work as well as affording us an insight to the topical issues affecting the sector. Wherever possible we look to raise the profile of these issues for the benefit of all pharmacists. Our target for 2011 was to deal with 250 enquiries, which was substantially exceeded.

Advice and support

This heading on the SOFA (which can be found at page 17) details expenditure on both the Listening Friends and the specialist advice services during 2011.

Specialist advice services

Manchester Citizens Advice Bureau (MCAB) provides specialist advice and assistance on the subjects of employment, welfare benefits and debt to the service users of Pharmacist Support. We utilise the skills of MCAB's specialist advisers to ensure that the individuals we refer obtain tailored, high quality advice which enables them to understand their rights, responsibilities and options within the law.

During 2011 MCAB assisted 129 individuals referred by Pharmacist Support (107 in 2010). This achieved a significant amount of financial gains. These gains were made up of increases in service users' incomes through either identifying and claiming state benefits worth £370,549 pa (£89,648 in 2010), assisting individuals in gaining pay entitlements worth £69,252 from employers (£33,279 in 2010) and helping people with the rescheduling, management or write off of personal debt liabilities totalling over £1,176,624 (£290,000 in 2010). Of this £1,176,624.00, £134,593.00 represents debts written off through insolvency. The cost of this service to the Charity in 2011 was £23,178 (£19,547 in 2010). Our target for 2011 was to assist 100 people this was exceeded.

Listening Friends

The Listening Friends service provides an empathetic, non judgemental environment where pharmacists, trainees or students dealing with a variety of stressful situations have the opportunity to speak in confidence with a charity volunteer. The service is staffed by trained volunteers who are pharmacists themselves, so they are well placed to understand the unique pressures that the caller may face. Two training weekends per year are held to equip volunteers with the knowledge and skills required to support others. Regular training also ensures that our volunteers' development is ongoing and their volunteering experience is enriched. During 2011 the scheme dealt with 280 calls,

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of which 98 were from new callers (280 total calls and 68 new callers in 2010). Our target for 2011 was 360 service incidents, which we did not meet.

Addiction support

The expenditure for the health support programme is detailed under the heading addiction support at page 17 on the SOFA.

Health Support Programme

The development of the partnership with the country's leading addiction charity, Action on Addiction (AoA), is illustrative of the Trustees' aim to continue to provide a service for supporting pharmacists with addiction issues that is of the highest possible standard.

During 2011, 21 individuals called the 24 hour helpline; this dedicated telephone service ensures that we are ready and available at any time to assist when individuals take their first courageous step in dealing with their addiction. Of these pharmacists 3 were assisted to access in-house treatment at Clouds House in Wiltshire, AoA's residential treatment centre, and one also accessed second stage treatment. In 2011 we extended our offering to affected partners and family members and 2011 saw the first spouse of a pharmacist in recovery engage in a peer support residential programme at Clouds. Our target for the HSP in 2011 was to support 50 individuals in 2011, which we did not meet.

During 2011 we provided both grants and loans to enable individuals to obtain the treatment they required to assist them in their recovery. The Charity's expenditure on grants for individuals and direct service payments to AoA amounted to £48,931 (2010; £27,387). This expenditure represented a large (£22,000) increase on the previous year's spend, this was due to the time spent in residential treatment in 2011 being substantially longer than for those treated in 2010. Interest free loans made to pharmacists to assist with their treatment costs in 2011 totalled £9,700 (£16,030 in 2010). NB this figure is included in the total loans figure detailed on page 5.

Awareness raising

Awareness raising continues to be an integral part of the charity's work and is essential in helping us to meet our aim of reaching the people who need our support. This also assists us in reaching new donors. We use a variety of methods to achieve this such as attending pharmacy events, giving presentations, maintaining a presence on the web, using social media, publishing and distributing leaflets and an annual review as well as placing advertisements in relevant publications.

We advertise in the pharmacy press as well as other publications that may provide access to other eligible groups (such as *saga* or the national press). We attended 9 events in 2011, ranging from large scale conferences such as the Pharmacy Show to smaller localised events, such as Local Practice Forum meets and Centre for Pharmacy Postgraduate Education courses. These events provide an opportunity to network with both potential and existing service users and donors.

We secured 34 pieces of press coverage in 2011; this kept both the name of the Charity and the issue of pharmacists' needs in the spotlight. Additionally we increased our Twitter follower numbers by over 50% and increased activity on our Facebook page. Website activity also increased by over

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20% with nearly 10,000 visits to www.pharmacistsupport.org Expenditure on awareness raising totalled £ 55,326. This amounted to a comparable spend to the previous year (£55,433 in 2010).

Other programmes

In October 2011 we piloted a potential new service, to extend further our addiction support work. This service is aimed at assisting pharmacists who are unable to practice, (due to either conditional sanctions for fitness to practice reasons or self removal during recovery), by increase their skills to assist them in their return to employment. The results of this pilot will be published on our website during the summer of 2012.

Additionally, we also continue to focus on our social policy work by collating information on issues commonly affecting service users to publicise [anonymously] and/or share with other relevant organisations. Pharmacist Support also works closely with The Worshipful Society of Apothecaries of London's charitable arm, to assess and nominate appropriate candidates for their annual bursary scheme.

During 2011 we started to work with the Centre for Pharmacy Postgraduate Education (CPPE) to support pharmacists returning to practice. This stemmed from an initiative with a larger number of other organisations (including The Royal Pharmaceutical Society (RPS), the National Association of Women Pharmacists (NAWP), the NHS Education for Scotland (NES) and the General Pharmaceutical Council (GPhC)) on a joint venture regarding supporting pharmacists returning to the workplace.

Public Benefit

In determining our programme of services we have regard to both the Charity Commission's general guidance on public benefit and our aim in the prevention and relief of poverty for the public benefit.

All pharmacists have an essential role in maintaining the health, safety and wellbeing of the public and in particular those members of the public who use or need the services of pharmacy professionals. The services provided by Pharmacist Support help ensure pharmacists are able to carry out that role to the benefit of the public. For example, our addiction service helps ensure public safety by providing support, counselling and treatment to pharmacists with dependency issues; our Listening Friends stress helpline provides an outlet for pharmacists to acknowledge and manage stress, which may otherwise impact on their work; our student hardship grants help students who would otherwise struggle to stay on their course, or focus adequately on their studies to finish their course and qualify as pharmacists, increasing the supply of professionals able to take on pharmacy roles.

Indirect public benefit

Many of the charity's services contribute to the relief of costs to the tax payer or to enabling someone to continue to manage their own lives and be a contributing member of society. For example:

- support for some of our older beneficiaries helps them to stay in their home, living independently, rather than moving into local authority care

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- response to calls to our addiction service is immediate and removes demand for services from the NHS
- support for people in work can often help keep that person in work, avoiding potential debts or benefit claims.

Financial review

The Statement of Financial Activities (SOFA) set out on page 17 shows that during the year, the net funds raised from the general public, via legacies and donations to fund the Charity's activities amounted to £15,000. The Trustees are very grateful to the individuals who generously support the work of the Charity in this way, and recognise that the Charity continues to benefit from the legacies of former RPSGB members who have made gifts in their wills. The Trustees are also appreciative of the many generous donations received from current RPS members who made donations to the Charity during their online membership renewal process. Such gifts are vital to the continuation of our work.

The Charity promotes donations being made under the gift aid scheme to maximise their value and the Pharmacist Support website has the facility for on-line donations. We seek to encourage donations from small groups and individuals within the pharmacy sector, via fundraising literature and promotional presentations. The Trustees are grateful to the Royal Pharmaceutical Society for providing its members with the Charity's online donation details during its online membership renewal process.

The Trustees would like to encourage all pharmacists to remember Pharmacist Support when making their wills, to provide us with the funds necessary to fulfil the Charity's remit to support pharmacists in the future.

All of the incoming funds and a small amount from reserves were used in the current year to fund our activities, as shown in the incoming resources generated funds line in the SOFA (on page 17) which is in line with our policies. Our net income after costs was £278,000 (£472,000 in 2010) which was used to deliver current services, and the balance of our net income for 2011 was from investment income which amounted to £311,538 (£257,734 in 2010). Overall during 2011 the total fund balance decreased by £905,000 to £11.03 million (2010 saw an increase of £605,000) mainly due to the revaluation of investments at the end of 2011 and overall poor investment performance.

Investment policy and performance

The Trustees have a general power of investment and so enjoy some freedom to invest in such assets as they see fit. The Charity sometimes needs to react to particular market fluctuations and has a policy of keeping some surplus liquid funds within a 30 day notice account. Our investment managers, Investec Wealth & Investment, report that in 2011, **despite obtaining a good return of 6.2% on Government UK bonds, we suffered an overall loss of 1.4% on our portfolio (2010; 11.8%).** **This was primarily a result of the overall weakness in equity markets with the UK equity market falling 3.5% and overseas equities dropping 6.1%. Equities suffered in the latter half of 2011 as investors sold out of riskier assets as a result of the crisis in the Eurozone becoming more apparent. The companies invested in, generally produced good results and the income generated by the**

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portfolio over this period rose strongly as noted above. The average charity, as highlighted by the WM company, also suffered in 2011 and lost 2.9%. Our investment policy continues to focus on maximising 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 incorporates a socially responsible approach that excludes any investment in specific areas, as agreed by the Trustees. The Charity does not own any investment property.

Reserves policy

The Charity has reserves as shown in the financial statements (page 17). In reviewing its reserve requirement, the Trustees have given weight to the fact that in order to enable the continued effective operation of the Charity, and ensure that the long term commitments to our service users are met we must hold a sufficient level of reserves to ensure that both the investment returns and also a modest use of the capital sum each year are achievable. The Charity's yearly expenditure is in excess of its voluntary income and our reserves policy reflects this. Reserves are slightly above the Trustees' benchmark and the Trustee Board reviewed its policy during 2011.

Financial assistance policy

The Trustees have delegated authority to the Pharmacist Support Manager for decision making of applications for financial assistance within authorised spending limits. The Grants Officer undertakes the assessment and of the application and provides a recommendation to the Pharmacist Support Manager. This approach allows a greater amount of flexibility and responsiveness to individual applications.

The Grants Officer has immediate access to information, expertise, staff of other related organisations (typically assisting or supporting the applicant within another often related area of need) and the applicants themselves; this system makes them better placed to deliver consistent decisions in line with Charity policies and also in adherence to the expedient time frames set out in the policy.

The overwhelming majority of applications are submitted directly by the applicant, although we do accept applications from third parties, such as CAB or other organisations. Our financial assistance policy is reviewed annually to ensure it is aligned with our priorities and programmes of activity, and also to assess if there are any external factors that require consideration. This ensures that our policy remains current and responsive and is in line with both changes in the law and also recognised best practice guidelines.

Plans for the Future

The Trustees are pleased to report that the charity achieved many of the objectives set for the Charity during 2011. These aims were agreed during the strategic planning work undertaken in 2010 and the direction of the charity's work in 2012 will stem from this. The following aims were successfully achieved:-

- successful selection of an appropriate IT system , to develop and enhance the information service (which is to be implemented in Spring 2012)
- a pilot service was also identified and implemented towards the end of the year (which met with the Charity's objects and aims, results due in Summer 2012)

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- foundation work on the Charity's fundraising strategy was completed (with work on increasing staff skills planned for 2012 and consideration of a fundraising strategy)
- work commenced on adoption of robust monitoring and evaluation systems (with impact work being undertaken in 2012)
- we have continued to experience an increase in requests from organisations seeking opinion and/or information on social policy issues relevant to pharmacists. This fits with our aim to position ourselves as a key collator of such information for the benefit of our service users and also the pharmacy sector as a whole.

Following the recruitment of four new Trustees to the Board (commencing 01/01/12) we plan to undertake a strategic planning exercise during 2012 to enable the new Board to consider and agree the Charity's strategic priorities going forward from 2013.

Risk management

All significant activities undertaken are subject to a risk review as part of the initial activity assessment and implementation. Major risks are identified and ranked in terms of their potential impact and likelihood. Major risks, for this purpose, are those that may have a significant effect on:

- achievement of our aims and objectives; and/or
- operational performance, including risks to our personnel and volunteers; and/or
- ability to meet the expectations of our beneficiaries or supporters.

The Trustees review these risks on an ongoing basis and satisfy themselves that adequate systems and procedures are in place to manage the risks identified. Where appropriate, risks are covered by insurance policies. Our framework for risk management includes the regular reporting and monitoring of major risks and development of action plans, and a clear structure of delegated authority and control.

Trustees' responsibilities in relation to the financial statements

In accordance with the United Kingdom Accounting Standards, the trustees of charities in England and Wales are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 of the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any 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 business.

The Trustees also wish to give notice to the reader that Crowe Clark Whitehill LLP has indicated its willingness to be reappointed as statutory auditor. The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Charity and

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enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed.

The Trustees are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the interest of transparency and accountability to our donors, supporters and the public we publish our annual report, accounts and an annual review on our website. The Trustees are responsible for the maintenance and integrity of the Charity and financial information included on the Charity's website.

Structure, Governance and Management

Trustees and organisational structure

2011 saw the initial phase of rotation by retirement for the current Trustees. Changes agreed in the previous year have established that all eight original Trustees will have retired by the end of 2013. The original Trustees may not be reappointed. At the same time the trust deed has been amended to allow for up to 9 Trustees to be appointed, and for the possibility of co-opting an additional two Trustees. All new Trustees will serve for a term of 3 years, (The term of office of a co-opted trustee is one year, unless thereafter appointed as a trustee in the normal manner) with one third of the Trustees retiring automatically by rotation each year. A new trustee may be reappointed, but may not serve for more than two terms of office. Trustees serve until they either resign or their term ends without renewal.

No trustee is remunerated for their Trusteeship, but reasonable out of pocket expenses are reimbursed. Trustees meet every quarter, primarily to focus on the broad strategy and underlying policies of the Charity. They receive regular reports on operational activities and also review the Charity's financial position. Trustees are encouraged to participate in relevant training to keep their knowledge of Charity regulation, investment and good practice current.

Trustee expenses (detailed at note 3 within the SOFA, page 22) totalled £9,340 in 2011 which was an increase on the previous year (£5,595 in 2010). The increase was due to the Trustee recruitment exercise we undertook. These expenses are necessary in facilitating the Trustees' attendance at meetings on Charity business, and also training in support of their governance responsibilities. There were four quarterly Board meetings held in 2011 in addition to a small number of subcommittee meetings throughout the year, as required.

Our Trustee recruitment and induction process provides that upon appointment new Trustees are given a formal induction to the work of the Charity and provided with the information they need to fulfil their roles, which includes information about the role of the Trustee and also Charity law. New Trustees are recruited via a national recruitment process and are interviewed by a panel of three Trustees. Prospective Trustees are required to illustrate that they have the necessary skills to contribute to the Charity's management and development.

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Each trustee has the opportunity to take responsibility for developing and/or monitoring the Charity's activities in specific operational areas, by engaging in sub-committee activities. There are a number of subcommittees in existence at any one time, which operate with delegated authority to cover matters which require in depth attention. The focus of the subcommittees changes upon completion of a set task(s) and membership of these committees usually includes the Pharmacist Support Manager.

Pharmacist Support is a member of the Association of Charitable Organisations (ACO). The ACO is a membership body of benevolent funds which provides advice and guidance on governance and legal changes. ACO represents its members to the Government and the Charity Commission and is committed to the promotion and development of benevolent charities. During 2011, via the ACO, the Charity joined with a number of other occupational benevolent charities, to provide a submission to the High Court case regarding the status of poverty trusts with restricted groups of membership.

Trustees

Our Trustees are responsible for setting the strategy and are responsible in law for the governance of Pharmacist Support. 2011 marked the first rotation of retirement with a third of the serving Board retiring on the 31 December (individual details below).

Mr David Thomson BSc Pharm, FRPharmS **Chairman**

Dr Leonard Brookes BSc, PhD, FRPharmS, FSB, CBiol **Treasurer**

Professor David Johns CBE, BSc(Eng), DSc, CEng, FRAeS, FHKIE, FAeSI, FREng

Mrs Doreen Laity BSc(Pharm), FRPharmS

Mr Arthur Williams OBE, FRPharmS

Mr David Morgan FRPharmS **Vice Chairman** (retired 31 December 2011)

Miss Seema Agha LLB(Hons), MA Law (retired 31 December 2011)

Mrs Catherine Beman BSc(Econ), FRSS, POST DIP PD (retired 31 December 2011)

Pharmacist Support Manager, Ms Diane Leicester

Advisers

To help us in our work we retain a number of professional advisers:

Auditor:

Crowe Clark Whitehill LLP,
Arkwright House
Parsonage Gardens
Manchester
M3 2HP

Investment Manager:

Investec Wealth & Investment,
2 Gresham Street,
LONDON.
EC2V 7QP

Bankers:

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

Investec Bank Plc

Solicitor:

Bates Wells & Braithwaite,
2 – 6 Cannon Street,
LONDON.
EC4M 6YH
2 Gresham Street
London
EC2V 7QP

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Independent Auditors Report to the Trustees
For the year ended 31 December 2011

Principal Office

Pharmacist Support
3rd Floor, the Pinnacle
73-79 King Street
Manchester
M2 4NG

Telephone: 0808 168 2233

Website: www.pharmacistsupport.org

Approved by the Trustees and signed on their behalf by:

Name

Chairman, Mr David Thomson

Date

Name

Treasurer, Dr L G Brookes

Date

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Independent Auditors Report to the Trustees
For the year ended 31 December 2011

We have audited the financial statements of Pharmacist Support for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's Trustees, as a body, in accordance with section 44 of the Charities Act 1993. 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 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements.

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Independent Auditors Report to the Trustees

For the year ended 31 December 2011

We read all the information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2011 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Crowe Clark Whitehill LLP

Statutory Auditor

Manchester

Date

Pharmacist Support

Statement of Financial Activities

For the year ended 31 December 2011

	Notes	2011 Total £'000	2010 Total £'000
Incoming Resources			
Generated funds:			
Voluntary Income			
Donations, gifts and unrestricted grants	1	13	5
Legacies		2	103
Activities of generating funds:			
Investment and other income	2	348	286
Incoming resources from charitable activities:			
Other incoming resources		-	160
Total incoming resources		363	554
Resources Expended			
Costs of generating funds:			
Investment management fees		30	27
Fundraising Costs		6	
Net incoming resources available for charitable application		327	527
Charitable activities by objective:			
Benevolence		549	517
Advice and support		59	38
Addiction support		49	27
Awareness raising		49	55
		706	637
Governance costs	3	54	114
Total resources expended	4	796	778
Net incoming resources before investment gains/losses	9	(433)	(224)
Gain/(Loss) on investments		(472)	829
Investment property revaluation		-	-
		(472)	829
Net movement in funds		(905)	605
Reconciliation of funds			
Balances brought forward		11,941	11,336
Fund balances carried forward		11,036	11,941

All incoming resources and expended resources arise from continuing activities. The notes on pages 19 to 29 form part of these accounts.

Pharmacist Support

Balance Sheet

For the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Fixed Assets			
Tangible assets	5	13	17
Investments	6	9,962	10,231
		<u>9,975</u>	<u>10,248</u>
Current Assets			
Other debtors	7	84	59
Cash at bank and in hand		1,070	1,710
		<u>1,154</u>	<u>1,769</u>
Creditors: amounts falling due within one year	8	<u>93</u>	<u>76</u>
Net current assets		<u>1,061</u>	<u>1,693</u>
Net assets		<u>11,036</u>	<u>11,941</u>
Capital funds			
Unrestricted charitable funds	9	<u>11,036</u>	<u>11,941</u>
		<u>11,036</u>	<u>11,941</u>

The financial statements on pages 17-18 were approved and signed on behalf of the Trustees on

ADD DATE 2012 by:

Mr David Thomson
Chairman

Dr L G Brookes
Treasurer

Pharmacist Support

Notes to the Financial Statements

For the year ended 31 December 2011

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 security based investment portfolio and fundraising costs.

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 eligible individuals (as defined on page 4 under the benevolence heading). Financial assistance can be in the form of interest free loans, payment of specific living expenses or annual GPhC retention fees for example. Applications for grant assistance are considered on their merits, by the Pharmacist Support Manager ensuring compliance with the Charity's objectives, and in accordance with guidelines issued by the Trustees. The liability is recognised when the payment is made.

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

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

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.

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

All tangible fixed assets costing are capitalised and included at cost including any incidental expenses of acquisition. Assets of the same nature are grouped together if the individual value is less than £200.

Fixtures, fittings and equipment

Depreciation is calculated on 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 and nominal value in use are as follows:

Equipment	5 years	exceed of £200
Computer equipment	12 months	exceed of £200

Lease of Building

The Charity leases the current building space for operation in Manchester. The lease is held over 5 years with 2 years remaining as at 31st December 2011.

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.

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

e) 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 8.

f) 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.

g) 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.

h) 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.

i) 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.

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

2. Investment and other income

	2011	2010
	£'000	£'000
Income from U.K. listed investments	253	216
Income from overseas listed investments	59	42
Interest receivable	28	23
Rental income	-	-
Gift In Kind	8	5
	<u>348</u>	<u>286</u>

3. Governance costs

Breakdown of the sum total includes, expenditure relating to Trustee meetings and related expenditure items totalling £9,340, Trustee Recruitment of £4,888, staff costs for the Charity secretary of £21,320, payments to Crowe Clarke Whitehill (auditors) £7,520 and payments to legal advisors Bates Wells & Braithwaite £11,200.

During the period no salary payments were made to any Trustee. Trustees were reimbursed for travel and subsistence expenses for attending meetings and training courses. This amounted to £9,340 for the year (2010 £5,595).

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

4. Analysis of Total Resources Expended

	Staff Costs	Support Costs	Grant Costs	Treatment Costs	Other Costs	Total Costs	Total	
	2011	2011	2011	2011	2011	2011	2010	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
							£'000	
Costs of generating funds:								
Investment mgt. Fees	-	-	-	-	30	30	27	
Fundraising	-	-	-	-	6	6	-	
Charitable Activities:								
Benevolence	184	29	195	-	141	549	517	
Advice and Support (prev Listening Friends)	17	19	-	-	23	59	38	
Health Support Programme	-	-	-	49	-	49	27	
Awareness raising	-	3	-	-	46	49	55	
	201	51	195	49	246	742	664	
Governance Costs	21	-	-	-	33	54	114	
	222	51	195	49	279	796	778	
			IT	Finance	H.R.	Total	Total	
			2011	2011	2011	2011	2010	
			£'000	£'000	£'000	£'000	£'000	
Service Costs								
Benevolence			10	19	4	33	33	
			10	19	4	33	33	

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

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:-

	2011	2010
	£'000	£'000
Wages and salaries	170	157
Social security costs	15	13
Pension costs	16	21
	<u>201</u>	<u>191</u>
	<u><u>201</u></u>	<u><u>191</u></u>

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

	2011	2010
	No.	No.
Benevolence	5	4
	<u>5</u>	<u>4</u>
	<u><u>5</u></u>	<u><u>4</u></u>

During the year no member of staff received a gross salary exceeding £50,000 (2010 £38,264).

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

5. Tangible fixed assets

	Equipment	Total
	2011	2011
	£'000	£'000
Cost or valuation		
As at 1 January 2011	57	57
Additions	2	2
Disposals	-	-
At 31 December 2011	<u>59</u>	<u>59</u>
Depreciation		
At 1 January 2011	(40)	(40)
Charge for the year	(7)	(7)
Disposals	-	-
At 31 December 2011	<u>(47)</u>	<u>(47)</u>
Net book value		
At 31 December 2011	<u>13</u>	<u>13</u>
At 31 December 2010	<u>17</u>	<u>17</u>

The net book value at 31 December 2011 represents fixed assets used for:

	£'000
Direct charitable purposes	<u>13</u>

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

6. Fixed asset investments

	2011	2010
	£'000	£'000
Tangible Assets	13	17
Market value of investments listed on a recognised Stock Exchange (note 6b)	9,962	10,231
	<u>9,975</u>	<u>10,248</u>

6a. Investment properties

	2011	2010
	£'000	£'000
Valuation 1 January	-	1,600
Revaluation in year		
Disposal in year	-	(1,600)
Valuation 31 December	<u> </u>	<u> </u>

The investment property (York Place) was sold April 2010.

6b. Investments listed on a recognised Stock Exchange

	2011	2010
	£'000	£'000
Market value 1 January	10,231	9,169
Less: disposals proceeds	(945)	(1,637)
Add: acquisitions at cost	1239	1,970
Net gain on revaluation at 31 December	(563)	729
Market value 31 December	<u>9,962</u>	<u>10,231</u>
Historical cost 31 December	<u>8,841</u>	<u>8,545</u>

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

Additional information on investments

Market value investments – UK	7,636	7,602
Market value investments – overseas	2,326	2,629
Market value 31 December	<u>9,962</u>	<u>10,231</u>

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

7. Debtors

	2011	2010
	£'000	£'000
Trade Debtors	13	15
Beneficial Loans	40	28
Prepayments and Accrued Income	31	16
	<u>84</u>	<u>59</u>

As at the end of 2011, the beneficial Loans consisted of long term loans (after more than one year) amounting to £33.7k.

8. Creditors

	2011	2010
	£'000	£'000
Balances with related parties (note 11)	27	19
Trade creditors	28	15
Accruals	38	42
	<u>93</u>	<u>76</u>

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

9. Funds

(i) Unrestricted Funds

	As at 1 January 2011	(Outgoing)/ incoming resources	Realised gains/(loss)	Unrealised gains/(loss)	As at 31 December 2011
	£'000	£'000	£'000	£'000	£'000
Pharmacist Support (previously Ben Fund)	11,781	(274)	93	(564)	11,036
Emergency Funds	160	(160)	-	-	-
	<u>11,941</u>	<u>(434)</u>	<u>93</u>	<u>(564)</u>	<u>11,036</u>

Pharmacist Support
Notes to Financial Statements (continued)
For the year ended 31 December 2011

(ii) Analysis of net assets between funds

	Total Funds
Fund balances at 31 December are represented by:	2011
	£'000
Tangible fixed assets	13
Investments	9,962
Current assets	1,154
Current liabilities	(93)
	<hr/>
	11,036
	<hr/> <hr/>

10. Related party transactions

The Royal Pharmaceutical Society of Great Britain provides services to the Charity for IT, finance and HR services which are subject to a service level agreement.

During the year, the Society raised a charge for services provided totalling £33,425 including VAT (2010: £32,728). On 31/12/11 an outstanding balance of £26,645 was owed to the Royal Pharmaceutical Society.