

Registered number: 2877400
Charity number: 1030623

BRITISH PHARMACOLOGICAL SOCIETY

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Trustees

P A Routledge (appointed 1 January 2012)
R G Hill (resigned 31 December 2011)
H P Rang (appointed 1 January 2012)
C R Hiley (appointed 1 January 2012)
D S McQueen (resigned 31 December 2011)
I Kitchen
D R J Singer
H Cox
A G Hayes
M I Christie
E H Baker
C Williams (appointed 1 January 2012)
A K Daly (appointed 1 January 2012)
D O Douglas (appointed 1 July 2011)

Company registered number

2877400

Charity registered number

1030623

Registered office

16 Angel Gate
City Road
London
EC1V 2PT

Company secretary

K J Kearns

Chief executive officer

C F Baillie

Auditors

French Duncan LLP
Chartered Accountants & Statutory Auditor
56 Palmerston Place
Edinburgh
EH12 5AY

Bankers

Cooperative Bank plc
1 Islington High Street
London
N1 9TR

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2011

Advisers (continued)

Solicitors

Boyes Turner
Abbots House
Abbey Street
Reading
RG1 3BD

Investment managers

Brewin Dolphin
12 Smithfield Street
London
EC1A 9BD

VAT Consultants

Haslers
Chartered Accountants
Old Station Road
Loughton
IG10 4PL

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on pages 1 to 2 of the financial statements.

THE TRUSTEES

The Trustees of the charity are shown below with details of their attendance at the two council meetings held in the year under review.

Officer Trustees

President	R G Hill ⁽¹⁾	2/2	(retired 31 December 2011)
President	P Routledge ⁽¹⁾	2/2	(President from 1 January 2012)
President-elect	H P Rang	0/2	(appointed 1 January 2012)
Honorary Treasurer	D S McQueen ⁽¹⁾	2/2	(retired 31 December 2011)
Honorary Treasurer	C R Hiley ⁽¹⁾	0/2	(appointed 1 January 2012)

Elected Trustees

Joint Chairman CHPCPT ^(a)	I Kitchen	1/2	
Joint Chairman CHPCPT ^(a)	D R J Singer	2/2	
	H Cox	2/2	
	A G Hayes	2/2	
	M I Christie	2/2	
	E H Baker	2/2	

Co-opted Trustees

	C Williams		(Co-opted 1 January 2012)
	A K Daly	1/2	(Co-opted 1 January 2012)
	D O Douglas	1/2	(Co-opted 1 July 2011)

⁽¹⁾ Denotes Executive Committee Member at 31 December 2011

^(a) CHPCPT - Committee of Heads & Professors of Clinical Pharmacology & Therapeutics

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Society's governing document is its Memorandum, Articles of Association and Rules. In 1994, the Society became a Company Limited by Guarantee and therefore has no share capital. In the event of its winding up, the members' liability is limited to £1 each. At the Annual General Meeting on 16th December 2010, the members resolved by Special Resolution to adopt modern, revised Articles of Association (incorporating the Memorandum) and the Rules and Bye-laws were transcribed to a separate document.

The Trustees are legally responsible for the overall governance, strategy, and direction of the Society. In terms of the Charities Act 2006, Trustees are accountable to the Charity Commission for ensuring that the Society's objectives as a registered charity are being met. The Trustees are also the Directors of the British Pharmacological Society. The Council of Trustees, which meets twice a year, comprises the President (Chair), President-elect, Honorary Treasurer, Chairman of the Committee of Heads of Pharmacology, Chairman of the Heads and Professors of Clinical Pharmacology and Therapeutics, and four elected members (of whom at least one is from industry and one from the clinical section at the time of election).

When nominating members for election as Trustees, Council follows the requirements of the Society's constitution and Guidance Notes CC10 and CC30 promulgated by the Charity Commission:

- CC10 sets out the hallmarks of an effective charity, which include a trustee board that "has the right balance of skills and experience;" and
- CC30 provides guidance on the processes involved noting that "the existing trustees are legally responsible for the recruitment of new trustees" and in addition to taking account of diversity issues, trustees must "look at what skills, knowledge and experience are needed to make sure that the charity is well governed and is run effectively, efficiently and appropriately to its size and complexity".

Elections to the Council take place each year at the AGM and any paid up member of the Society, ordinarily resident in the UK and Ireland can stand. Trustees are elected to serve for periods of between three and four years, depending on office. This year the contested elections were supported by electronic voting systems which were supervised by the Electoral Reform Society, resulting in a record number of votes cast.

A job description has been produced for Council members, which specifies the knowledge, skills and attributes that are needed by the members. Trustee training is undertaken at regular intervals.

Council has delegated responsibility to the Executive Committee, chaired by the President Elect, to oversee the day-to-day operations of the Society, and financial management is delegated to the Finance & Risk Committee ("FRC") chaired by the Honorary Treasurer. FRC also advises the Council on the Society's risk profile and management. The Executive Committee comprises the elected officers of the BPS together with two members elected by the membership. The usual term of office for Executive Committee members is three years. Any paid up member of the Society, ordinarily resident in the UK and Ireland, can stand for election as an officer or elected member of the Executive Committee.

The Executive Committee has Committees and Working Groups, to whom powers are delegated. The Committees and Groups report back to the Executive Committee. Members of these Committees and Groups comprise both Council and/or Executive Committee members, together with other members. The Clinical Pharmacology Section Committee manages the affairs of the Clinical Pharmacology Section. The Journals are managed by the Executive Management Committees of their Editorial Boards.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Council has ultimate responsibility for all aspects of the Society's activities, including management, with the exception of those matters which must be decided by a general meeting of the members. The Council focuses on strategy and the Executive Committee is delegated the responsibility for the general management of the Society's activities. The Trustees employ a Chief Executive who is responsible for executing the decisions of committees and sub-committees and for the day to day management of the Society's resources, including the other employees, and the Angel Gate building. At 31 December 2011 we had 11 full time staff and utilised the services of specialist consultants as required. The Chief Executive reports back to Council and Executive Committee on performance against the objectives of the BPS.

The Society benefits from a great deal of voluntary work by its members in the organisation of meetings, editing and refereeing of manuscripts, service on committees and panels and many other activities.

The Society participates actively in the wider Biosciences community both in the UK and internationally through, inter-alia, collaborative funding of research, policy and education initiatives and the hosting of scientific meetings.

Risk assessment

Council has a Risk Policy and a Risk Register which provide the framework for the management of risks and demonstrate the controls in place to mitigate them. The Risk register is reviewed on an annual basis by the FRC and a report is made to the Executive Committee and trustees. Risk mitigation includes the review and management of risk as an integral part of the business process.

The prime risk to which the Society is exposed continues to be financial, particularly in respect of the income from our journals. This risk is the predominant determinate of the level of free reserves held by the Society pursuant to its Reserves Policy.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

OBJECTIVES AND ACTIVITIES

The objects of the Society are to "promote and advance pharmacology including, without limit, clinical pharmacology". The direct beneficiaries are the members of the pharmacology community worldwide. Indirectly, society in general benefits from the enhanced education and training of scientists and clinicians and the dissemination of research, which leads to improvements in health.

STRATEGIES FOR ACHIEVING OBJECTIVES

The Society's main aims are to:

- maintain and develop its position as a leading international scientific society for the study of the discovery, development, action, disposition and safety of drugs;
- support its journals as leading international publications in the discipline of pharmacology;
- promote the disciplines of pharmacology and therapeutics and provide advice on standards of teaching and practice to policy makers;
- work collaboratively with other learned societies and other relevant bodies for the furtherance of drug discovery.

The trustees have set a strategy concentrating on the following areas:

- pharmacology education and professionalism;
- scientific meetings;
- clinical pharmacology;
- relationships with industry;
- scientific journals;
- the public profile of pharmacology.

The success of the strategy is measured by the:

- scientific quality and attendance at our meetings
- scientific quality of our journals;
- maintenance and development of our membership base;
- quality of our relationships with international bodies, learned societies in related disciplines in the UK & overseas, pharmaceutical industry and other relevant organisations.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

ACHIEVEMENTS AND PERFORMANCE

Throughout the year, our Officers and the Secretariat worked together to deliver integrated services to members and external groups, to ensure that our charitable objectives and the needs of basic scientists, clinicians and industrialists, are met as efficiently and effectively as possible, across the following areas:

1. To ensure the delivery of training and education in pharmacology through:

- provision of high quality scientific meetings
- BPS delivered 7 scientific meetings, 4 of which involved collaboration with other groups and societies, to ~1329 delegates.
- sponsorship of the meetings of relevant external groups
- BPS sponsored the meetings, lectures and workshops of external groups including the Federation of European Pharmacological Societies (EPHAR), New York Academy of Medical Sciences, and Sense About Science among others.
- provision of high quality educational courses
- BPS continues to deliver, support and maintain high quality *in vivo* training. We fund 'taster' training courses and short courses in partnership with The Physiological Society, Medical Research Council (MRC), the Biotechnology and Biological Sciences Research Council (BBSRC) and the Wellcome Trust. We have secured funding for these courses for the next 3 years from MRC and BBSRC.
- delivery of a Diploma in Advanced Pharmacology and its component workshops
- The Diploma in 2011 has 3 graduates and 7 new students, demonstrating its continuing value. We held 6 sold out workshops, all receiving positive feedback from the total of 127 delegates. We held our first workshop on *Enzymes*, a popular course that will become a fixture in the ongoing workshop cycle.
- development of an e-learning functionality on the new BPS website to deliver enhanced resources for Continuing Professional Development
- BPS has concentrated its e-learning activity on the Prescribe website in 2011.
- re-platforming of PharmaCALogy
- Options for the re-development of PharmaCALogy continue to be assessed by the Education & Training Committee

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

2. To promote pharmacology as a scientific discipline by:

- enhancing the Society's presence at careers fairs, teachers' conferences and science festivals
- BPS attended and sponsored a talk at the Association of Science Education (ASE) meeting in January 2011. We were headline sponsor of the Life Sciences Careers Conferences held in Aston (Feb) and York (Oct). We attended careers fairs in London (2), Reading and Manchester and contributed resources for a further 3 (Cardiff, Glasgow, and Birmingham). We presented popular outreach shows to over 400 members of the public at the Cheltenham and London Science festivals.
- developing a portfolio of careers information for A-level students and undergraduates
- Our new careers leaflet was widely distributed to schools and career fairs. An accompanying website, www.pharmacologynow.org is in development. We also co-developed with other learned societies, 'Next Steps' a careers booklet for undergraduates.
- development of social networking communities
- Our social networking sites have continued to grow over 2011: Facebook: 1292 fans (868 Dec 2010); Twitter: 638 followers (380 Dec 2010); YouTube: 1638 viewers to our channel BPSTV (563 Dec 2010).
- engagement with the Society of Biology's accreditation project
- BPS has 2 members on the Society of Biology Accreditation Panel and continues to collaborate on the implementation of *in vivo* Accreditation, to ensure graduates are highly trained and work ready.
- using the enhanced BPS website to promote education
- Education & careers account for 3 of the top 20 most accessed pages on the BPS site.
- ensuring that pharmacology is fully represented in government and other agency consultations
- BPS contributed to 8 United Kingdom and European Union consultations in 2011, and made public statements on a variety of science-policy issues including research funding, tier 1 migration, Research Excellence Framework maternity arrangements and the Association of the British Pharmaceutical Industry (ABPI) code of practice.
- establishing an industry sub-committee to address the needs of pharmacologists in the pharmaceutical industry
- The Industry Committee initiatives include: James Black meeting on Biologics, Sept 2011; complimentary membership for those affected by the contraction of industry; and Learned Society collaborative initiatives to support skills and training.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. To promote clinical pharmacology as a clinical discipline by:

- developing *Prescribe*, a web-based training tool for medical students and other health professionals with prescribing responsibilities
- www.prescribe.ac.uk is now online as a beta test site containing 15 e-learning sessions on clinical pharmacology. The site has 796 registered users from 36 medical schools in the UK & Ireland, all of whom have registered free of charge.
- seeking investment partnership in *Prescribe*
- Exploratory discussions on investment in *Prescribe* have been held with 2 organisations over the course of 2011.
- working with the Department of Health's (DoH) e-Learning for Health Initiative to deliver a Prescribing Simulator
- Work on the Prescribing Simulator is ongoing, with the DoH undertaking the development of this resource.
- working with the Medical Schools Council (MSC) and other stakeholders to develop a national Prescribing Skills Assessment (PSA) scheme for all final year medical students
- This project has gathered pace in 2011. We currently have 50 trained question writers delivering 600 peer reviewed questions, initially for online pilots of the PSA.
- encouraging the training and appointment within the Universities and National Health Service of clinical pharmacologists who will contribute (as appropriate) to the delivery of healthcare, research, education in therapeutics/prescribing, and medicines policy at local, regional and national level
- The clinical section continues to influence at policy level and contributed to six consultations during 2011.
- The *Planning a 5-year Agenda for UK Clinical Pharmacology* congress, and a subsequent meeting at European Association for Clinical Pharmacology & Therapeutics (EACPT) has culminated in recommendations for encouraging clinical pharmacology as a specialty over the next few years. Several actions were carried out, including: Clinical Pharmacology Special Study Modules in the UK: A Survey, sent to 29 clinicians throughout the UK; and a meeting collaboration with the Faculty of Pharmaceutical Sciences (*Prescribing Without Evidence*).

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

4. To maintain and develop services for members by:

- assessing the viability of the Society's Special Interest Groups, and replacing them if necessary
- Special interest groups are supported by our online members' area, the Connected Community. There are signs that certain key groups are becoming more active, including Industrial Pharmacologists, Project Licence-Holders, and the Clinical Section.
- developing the links between the Society's journals and its meetings
- Our journals regularly receive review content from BPS-sponsored or organised meetings, and have, over the course of 2011, successfully proposed symposia for the 2012 Winter Meeting. Twice yearly Joint Publications meetings map journal content against the Society's activity, including its meetings.
- increasing the impact factor (IF) of the Society's journals
- Unfortunately, impact factors for our journals fell numerically in 2011. The British Journal of Pharmacology (BJP) now stands at 4.925 (5.204 in 2010), while the British Journal of Clinical Pharmacology (BJCP) has an IF of 3.063 (3.246 in 2010). This is under constant review by the Editorial Board and the Executive Committee.
- developing the content and propagation of the society's newsletter, *Pharmacology Matters*
- We published three issues of *Pharmacology Matters* during 2011: Pharma Futures, A Pharmacological Education, and An Industrial Revolution. The newsletter underwent a subtle redesign over the year to make it more attractive, and we are encouraged authors to write articles that are accessible to a wider lay readership. The e-bulletin which runs in parallel with *Pharmacology Matters* is now sent to around 4000 inboxes. Co-operation with our Sister societies allows this medium to be a valuable means for increasing co-operation and awareness of activities across the Biosciences.
- developing and extending links with sister societies nationally and internationally
- BPS met with the American Society for Pharmacology and Experimental Therapeutics (ASPET), The Australasian Society of Clinical and Experimental Pharmacologists and Toxicologists (ASCEPT), The Chinese Pharmacological Society and EPHAR over the course of 2011, as well as meeting regularly with organisations including the MSC, Physiological Society, Society of Biology, ABPI, the Bio Industry Association (BIA) and the British Neuroscience Association. We also exhibited at EACPT, Experimental Biology and the Society for Neuroscience meeting, using the opportunities to interact with a number of national and international organisations.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

FINANCIAL REVIEW

This review compares the finances for the 12 month period to 31 December 2011 and the 12 month period to 31 December 2010.

The accounting policies under which the financial statements have been prepared (note 1) are detailed on pages 21 to 23.

The Society's "unrestricted" charitable activities (excluding investment transactions) for the 12 month period to 31 December 2011 resulted in a surplus of £328.6k (see "NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS" on page 19), compared with a surplus of £384.2k for the previous 12 month period to 31 December 2010. The result reflects the very positive performance from publishing activities.

Overall, the Society spent £2,774.8k (2010: £2,583.3k) on its core activities.

The period to 31 December 2011 produced a decrease of £177.1k in the value of our investments, due primarily to the continuing debt crisis and lack of confidence in world markets in the period under review, compared to net gains of £277.2k in the 12 months to 31 December 2010.

Following the restructure of our portfolios, completed 2010, when the investments were split to underpin our reserves strategy; the Growth and Liquidity funds portfolios are measured against the APCIMS (Association of Private Client Investment Managers and Stockbrokers) Balanced and the FTSE Government All Stocks benchmarks respectively. In the period under review, these indices rose by 0.2% and 15.9% respectively whilst the FTSE 100 Index of Leading Shares fell by 5.7%.

Close attention continues to be paid to the financial stewardship of the Society. In the period under review, performance was regularly monitored against budget and financial risks to which the Society might become exposed were scrutinised.

Capital Expenditure

The Society expended £23.5k (2010: £2.6k) to renew obsolete IT equipment during 2011. There was no capital expenditure on fixtures and fittings during 2011 (2010: £Nil).

Reserves Policy

The Trustees have examined the Society's requirements for free reserves in the light of predominant risks to the Society. These are identified as loss of income from our journals and forward financial commitments to planned Scientific Meetings. In 2009, a decision was taken that the target reserve level should be revised down from 4 to 2 years working capital. The Society estimates that it might need 2 years' working capital (excluding journal activities), to allow for the development of new initiatives (where it would incur significant expenditure in advance of anticipated income). As at 31 December, the ratio of free reserves to annual working capital was above the optimum level and the Society is currently examining means to redress the balance.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

Investment Policy

The Society's investment strategy underpins its Reserves Policy and seeks to provide against sudden loss of income (pending restructure to a revised balanced budget), from its traditional activities. The Society also needs to invest to meet medium/long-term liabilities which may arise out of its usual activities and to provide for major capital expenditure items.

In the period under review the Society reviewed the performance of its invested assets and worked with its investment manager to ensure the investments provided long-term growth and income (from a balanced, diversified, medium risk weighted portfolio); and liquidity (from a portfolio including UK and foreign bonds, government securities and cash).

The range of assets selected provide diversification and the opportunity to add value at the appropriate stage of the economic cycle. The balance between the different kinds of investments and both portfolios will be established by the investment manager's judgement of the future returns likely to be obtained on each class of investment, and a mandate to target a certain level of liquidity coincidental with the Trustees' perception of future financial risk to which the Society might become exposed. To control risk, the Finance and Risk Committee regularly meets with the investment manager to review portfolio constituents and attribution between the portfolios.

The Society's investments are managed on a fully discretionary basis by Brewin Dolphin Securities ("BDS"). BDS are required nevertheless to have regard for the Society's status as an educational and health charity and specifically, the Society's portfolio is not permitted to include investment in tobacco companies.

Strategic benchmarks and structured reporting enables the Society to regularly review both the performance of BDS and its portfolios. The Finance and Risk Committee is delegated to review and agree the relative strategic benchmarks from time to time.

Creditors payment policy

The Society's policy is to pay its suppliers within the terms of their contracts.

Grant-making Policies

The Society's policy is to make grants that advance its objective, i.e. to promote and advance pharmacology, and to comply with the terms of any restricted or designated funds from which grants are provided. Applications are invited from individuals or institutions suitably qualified or active in the discipline. Appropriate committees decide who will receive grants. In the case of a few minor grants, authority to make decisions on applications is delegated to individual officers or senior staff.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

PUBLIC BENEFIT STATEMENT

The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regards to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

The British Pharmacological Society is the primary UK learned society concerned with research into drugs and the way they work. The Society's activities support the education of scientists, clinicians, school students and the general public and the dissemination of research in pharmacology and clinical pharmacology.

Pharmacology is responsible for the discovery of hundreds of chemicals used in the treatment of disease and the relief of human and animal suffering, as well as contributing substantially to the success of the pharmaceutical and healthcare industries.

MEMBERSHIP

Membership figures at the end of December 2011 were:

	Members 2011	% Expressing an interest in or practicing Clinical Pharmacology 2011	Members 2010	% Expressing an interest in or practicing Clinical Pharmacology 2010
Honorary Fellows	75	29	66	32
Fellows	95	32	97	30
Members	1,428	24	1,342	28
Associate Members	200	21	167	25
Associate Postgraduate Students	321	19	383	35
Associate Undergraduate Students	542	16	313	36
Retired Members	413	28	416	27
Total Members	3,074	23	2,784	30

During 2011 the Society elected 7 new Honorary Fellows, 1 Fellow, 218 Members and 538 Associate Members (including undergraduate or postgraduate students). The deaths of 12 members were recorded.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011**

FUTURE DEVELOPMENTS

For the period 1 January 2012 to 31 December 2012 the Officers of the BPS and the Secretariat will work together to deliver efficiently high quality services to members and external groups, mapped against the Society's strategic objectives. This is to ensure that the needs of pharmacologists (basic scientists, clinicians, regulators and industry-based scientists) are met as efficiently and effectively as possible. The objectives are:

1. To maintain and develop services for members by:

- conducting a widely-based membership survey in order to analyse and understand the needs of different member cohorts, and provide targeted benefits for each group
- enhancing online services for our journals through support for the Guide to Pharmacology, exploration of open access journals and a phased move to online only publication of BJP and BJCP
- further improving links between our journals and our meetings
- raising the profile, visibility, and ultimately the Impact Factor, of our journals
- developing the content and influence of our newsletter, *Pharmacology Matters*

2. To ensure the delivery of training and education in pharmacology through:

- provision of high quality scientific meetings, with attractive topic selections
- continued participation in the meetings of relevant external groups and by arrangement of joint meetings, maximising benefits to members and stakeholders
- mapping clinical, industrial and academic skills needs, and delivering effective and leading-edge educational course for clinical and basic scientists including the provision for CPD
- continued delivery and development of the Diploma in Advanced Pharmacology and its component workshops
- conducting a survey of the teaching of pharmacology at undergraduate and postgraduate level

3. To promote pharmacology as a scientific discipline by:

- building our portfolio of outreach initiatives through enhanced contributions to careers fairs, teachers' conferences, science festivals and other outreach events
- developing our on-line networking communities
- using our website, the main www.bps.ac.uk and the specialised www.pharmacologynow.org, to promote careers in, and public understanding of pharmacology
- ensuring that the importance of pharmacology and the views of pharmacologists are fully represented in government and other policy consultations

4. To promote clinical pharmacology as a clinical discipline by:

- developing *Prescribe*, a web-based training tool for medical students and other health professionals with prescribing responsibilities
- working with the Department of Health's *e-Learning for Health* Initiative to deliver a Prescribing Simulator
- working with the Medical Schools Council and other stakeholders to develop a national Prescribing Skills Assessment scheme for all final year medical students
- encouraging the training and appointment within the Universities and NHS of clinical pharmacologists to contribute to the delivery of healthcare, research, education in therapeutics and prescribing, and medicines policy at local, regional and national level

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

FUTURE DEVELOPMENTS (continued)

5. To develop collaborative activities with other societies in order to promote pharmacology and clinical pharmacology by:

- actively engaging with the Society of Biology in projects, including accreditation, education, outreach and science policy
- continuing the work of the Industry Committee (with the Society of Biology, Royal Society of Chemistry and Academy of Medical Sciences) to promote the provision and understanding of pharmacology and clinical pharmacology in the pharmaceutical industry
- developing and extending links with sister societies nationally and internationally.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2011

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees (who are also directors of British Pharmacological Society for the purposes of company law) are responsible 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).

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees on

and signed on their behalf, by:

P A Routledge
President

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH PHARMACOLOGICAL SOCIETY

We have audited the financial statements of BRITISH PHARMACOLOGICAL SOCIETY for the year ended 31 December 2011 set out on pages 19 to 35. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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. In addition, we read all the financial and non-financial information in the Trustees' 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, including its income and expenditure, 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 Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRITISH PHARMACOLOGICAL SOCIETY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Jeffrey Meek CA (Senior statutory auditor)

for and on behalf of

French Duncan LLP

Chartered Accountants & Statutory Auditor

56 Palmerston Place

Edinburgh

EH12 5AY

Date:

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	167,409	-	167,409	43,485
Activities for generating funds	3	-	2,934,531	2,934,531	2,835,095
Investment income	4	11,422	120,678	132,100	118,159
Other incoming resources	5	-	48,205	48,205	42,921
TOTAL INCOMING RESOURCES		178,831	3,103,414	3,282,245	3,039,660
RESOURCES EXPENDED					
Costs of generating funds:					
Investment management expenses	6	-	18,139	18,139	16,653
Charitable activities	8	371,925	2,738,015	3,109,940	2,898,827
Governance costs	11	-	18,627	18,627	27,245
TOTAL RESOURCES EXPENDED		371,925	2,774,781	3,146,706	2,942,725
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS					
		(193,094)	328,633	135,539	96,935
Transfers between Funds	22	5,151	(5,151)	-	-
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE INVESTMENT ASSET DISPOSALS					
		(187,943)	323,482	135,539	96,935
Gains and losses on disposals of investment assets	16	-	(93,997)	(93,997)	(9,000)
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS					
		(187,943)	229,485	41,542	87,935
Gains and losses on revaluations of investment assets	16	-	(177,070)	(177,070)	277,174
NET MOVEMENT IN FUNDS FOR THE YEAR		(187,943)	52,415	(135,528)	365,109
<i>Total funds at 1 January 2011</i>		<i>1,092,990</i>	<i>4,856,947</i>	<i>5,949,937</i>	<i>5,584,828</i>
TOTAL FUNDS AT 31 DECEMBER 2011		905,047	4,909,362	5,814,409	5,949,937

All activities relate to continuing operations.

The notes on pages 21 to 35 form part of these financial statements.

BRITISH PHARMACOLOGICAL SOCIETY
REGISTERED NUMBER: 2877400

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	15		641,607		643,148
Investments	16		2,965,052		3,266,525
			<u>3,606,659</u>		<u>3,909,673</u>
CURRENT ASSETS					
Debtors	17	685,935		701,692	
Investments	18	1,035,740		334,877	
Cash at bank and in hand		1,349,150		2,115,423	
			<u>3,070,825</u>		<u>3,151,992</u>
CREDITORS: amounts falling due within one year	19		<u>(777,498)</u>		<u>(1,037,177)</u>
NET CURRENT ASSETS			<u>2,293,327</u>		<u>2,114,815</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,899,986</u>		<u>6,024,488</u>
CREDITORS: amounts falling due after more than one year	20		<u>(85,577)</u>		<u>(74,551)</u>
NET ASSETS			<u><u>5,814,409</u></u>		<u><u>5,949,937</u></u>
CHARITY FUNDS					
Restricted funds	22		905,047		1,092,990
Unrestricted funds	22		4,909,362		4,856,947
			<u>5,814,409</u>		<u>5,949,937</u>

The financial statements were approved by the Trustees on behalf, by:

and signed on their

C R Hiley

Honorary Treasurer

The notes on pages 21 to 35 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and the revaluation of certain fixed assets. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable United Kingdom accounting standards and the Companies Act 2006.

1.2 Cash flow

The charity has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small charitable company.

1.3 Fund accounting

Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the Charity. The Trustees may, from time to time, set aside certain funds for specific purposes into separate designated funds. Such designations carry no legal restrictions and may be changed at the discretion of the Trustees.

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary income and legacies

Voluntary income derived by way of donations and legacies to the Charity is included in full in the Statement of Financial Activities when the Society has the legal entitlement to receive the funds and the Trustees are accurately able to assess the amount of the donation or legacy.

Membership subscriptions

Some membership dues are paid annually by the members for the year to 31 December. An amount of deferred income is recorded for subscriptions received in advance.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. ACCOUNTING POLICIES (continued)**1.5 Resources expended**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and are allocated to the activity they relate to. General support costs are allocated to charitable activities based on the proportions of direct and grant related activity costs. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Grants awarded

Full provision is made for educational awards and bursaries when approved by the Trustees.

1.6 Costs of generating funds

These are costs associated with raising voluntary income and investment income for the Charity.

1.7 Allocation of overheads

Central overhead costs are allocated to activities on the basis of departmental salaries:

Member services	54.78%
Journal publishing costs	0%
Educational activities	22.98%
Projects and awards	0%
Scientific meetings	22.28%

1.8 Charitable activities

These are costs associated with the Charity's charitable activities.

Journal publishing income and costs

This represents the income and expenditure involved in publishing the British Journal of Pharmacology and the British Journal of Clinical Pharmacology.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. ACCOUNTING POLICIES (continued)**1.9 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	Nil
Fixtures & fittings	-	over 8 years straight line
Computer equipment	-	over 3 years straight line

1.10 Investments

Investments are stated at the mid-market value ruling at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.11 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the charity. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.12 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.13 Pensions

The BPS participates in the Superannuation Arrangements of the University of London ("SAUL") which is a centralised defined benefit scheme and is contracted out of the Second State Pension.

SAUL is a "last person standing" scheme so that in the event of insolvency of any of the participating employers in SAUL, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation. A formal valuation of SAUL is carried out every three years by professionally qualified and independent actuaries using the Projected Unit method. Informal reviews of SAUL's position are carried out between formal valuations.

1.14 Recognition of liabilities

The Society recognises liabilities when there is a legal obligation to incur the liability and the amount can be reliably calculated.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

2. VOLUNTARY INCOME

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Donations	165,830	-	165,830	42,000
Other	1,579	-	1,579	1,485
	<u>167,409</u>	<u>-</u>	<u>167,409</u>	<u>43,485</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Charity trading income				
Membership subscriptions	-	102,604	102,604	105,008
Journal publishing income	-	2,654,244	2,654,244	2,670,597
Educational activities	-	19,779	19,779	32,798
Scientific meetings	-	157,904	157,904	26,692
	<u>-</u>	<u>2,934,531</u>	<u>2,934,531</u>	<u>2,835,095</u>
Net income from incoming resources from charitable activities	<u>-</u>	<u>2,934,531</u>	<u>2,934,531</u>	<u>2,835,095</u>

4. INVESTMENT INCOME

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Income from UK listed investments	-	106,430	106,430	83,192
Income from non-UK listed investments	-	2,864	2,864	1,808
Bank interest receivable	11,422	11,384	22,806	33,159
	<u>11,422</u>	<u>120,678</u>	<u>132,100</u>	<u>118,159</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

5. OTHER INCOMING RESOURCES

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Other income	-	48,205	48,205	42,921

6. INVESTMENT MANAGEMENT COSTS

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Investment management fees	-	18,139	18,139	16,653

7. EXPENDITURE BY CHARITABLE ACTIVITY**SUMMARY BY FUND TYPE**

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Members services	26,088	487,861	513,949	496,011
Journal publishing costs	-	1,134,178	1,134,178	1,184,977
Educational activities	315,022	397,894	712,916	589,732
Projects and awards	30,815	143,420	174,235	174,445
Scientific meetings	-	574,662	574,662	453,662
	371,925	2,738,015	3,109,940	<i>2,898,827</i>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2011 £	Other costs 2011 £	Total 2011 £	<i>Total 2010 £</i>
Members services	300,414	213,535	513,949	496,011
Journal publishing costs	-	1,134,178	1,134,178	1,184,977
Educational activities	126,835	586,081	712,916	589,732
Projects and awards	-	174,235	174,235	174,445
Scientific meetings	122,184	452,478	574,662	453,662
	549,433	2,560,507	3,109,940	<i>2,898,827</i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2011 £	Grant funding of activities (note 9/10) 2011 £	Support costs 2011 £	Total 2011 £	<i>Total 2010 £</i>
Members services	513,949	-	-	513,949	496,011
Journal publishing costs	1,134,178	-	-	1,134,178	1,184,977
Educational activities	333,104	378,030	1,782	712,916	589,732
Projects and awards	144,055	30,180	-	174,235	174,445
Scientific meetings	574,662	-	-	574,662	453,662
Total	2,699,948	408,210	1,782	3,109,940	2,898,827

9. GRANTS TO INDIVIDUALS

	Number 2011	Total 2011 £	Number 2010	Total 2010 £
A J Clark Studentships	1	64,508	1	77,972
Bain Fund	103	30,180	106	67,696
	104	94,688	107	145,668

The Bain Fund awarded 67 grants of between £34 and £750 (2010 - 106 grants of between £34 and £888) to assist individuals to attend conferences. In addition 36 Young Investigator awards (2010 - £Nil) were made to enable students to attend ET 2012 in Cambridge.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

10. GRANTS TO INSTITUTIONS

	Total funds 2011 £	<i>Total funds 2010 £</i>
Educational activities	313,522	<i>269,468</i>
	2011 £	<i>2010 £</i>
In-Vivo Short Courses	117,757	<i>71,669</i>
In-Vivo Training	42,882	<i>23,373</i>
Medical Research Council Capacity Building Studentship Top Ups	118,650	<i>139,720</i>
Support Costs	34,233	<i>34,706</i>
Total	313,522	<i>269,468</i>

In-Vivo Short Courses and Training grants are given to universities for educational purposes. During the year 7 awards of between £1,404 and £16,000 were made.

Medical Research Council Capacity Building Studentship Top Ups are given to universities to defray the costs of consumables incurred by medical students as part of their *in vivo* techniques training. During the year, 6 universities were given awards of between £2,500 and £55,000.

11. GOVERNANCE COSTS

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	<i>Total funds 2010 £</i>
Governance Auditors' remuneration	-	9,250	9,250	<i>10,538</i>
Council - travel and meetings	-	9,363	9,363	<i>5,040</i>
Legal and professional fees	-	14	14	<i>11,667</i>
	-	18,627	18,627	<i>27,245</i>

12. INCOMING RESOURCES

82% of the Charity's journal publishing income (2010 - 82%) is attributable to geographical markets outside the United Kingdom.

All other incoming resources are attributable to the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

13. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2011 £	2010 £
Depreciation of tangible fixed assets:		
- owned by the charity	25,056	21,625
Governance Auditors' remuneration	9,250	10,538
Governance Internal audit costs	-	-
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2010 - £NIL).

During the year, 9 (2010 - 9) trustees were reimbursed for travel and subsistence and other general expenses totaling £16,004 (2010 - £13,845) of which £2,790 (2010 - £5,040) was in connection with council matters. The balance is in relation to expenses incurred in respect of business conducted on behalf of the charity

14. STAFF COSTS

Staff costs were as follows:

	2011 £	2010 £
Wages and salaries	458,346	422,448
Social security costs	45,026	39,991
Pension costs	46,061	39,653
	<u> </u>	<u> </u>
	<u>549,433</u>	<u>502,092</u>

The average monthly number of employees during the year was as follows:

	2011 No.	2010 No.
	10	10
	<u> </u>	<u> </u>

The number of higher paid employees was:

	2011 No.	2010 No.
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1
	<u> </u>	<u> </u>
	<u>2</u>	<u>2</u>

Included within wages and salaries are honoraria payments to members of £7,000 (2010 - £7,000).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

15. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2011	590,000	122,060	43,156	755,216
Additions	-	-	23,515	23,515
At 31 December 2011	<u>590,000</u>	<u>122,060</u>	<u>66,671</u>	<u>778,731</u>
Depreciation				
At 1 January 2011	-	75,920	36,148	112,068
Charge for the year	-	15,258	9,798	25,056
At 31 December 2011	<u>-</u>	<u>91,178</u>	<u>45,946</u>	<u>137,124</u>
Net book value				
At 31 December 2011	<u>590,000</u>	<u>30,882</u>	<u>20,725</u>	<u>641,607</u>
<i>At 31 December 2010</i>	<u>590,000</u>	<u>46,140</u>	<u>7,008</u>	<u>643,148</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2011 £	2010 £
Computer equipment	<u>12,566</u>	<u>4,109</u>

Revaluation of fixed assets

The long leasehold property was revalued on 24 February 2010 at "Existing Use" value by Altus Edwin Hill, Chartered Surveyors at £590,000, a reduction of £30,000 since the last valuation on 20 May 2005. The historic cost of the property is £273,816.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

16. FIXED ASSET INVESTMENTS

	Listed securities £
Market value	
At 1 January 2011	3,266,525
Additions	547,510
Disposals	(671,913)
Revaluations	(177,070)
	2,965,052
At 31 December 2011	2,965,052

Investments at market value comprise:

	UK £	Overseas £	2011 £	2010 £
Listed investments	2,481,603	483,449	2,965,052	3,266,525
	2,481,603	483,449	2,965,052	3,266,525

The above investments are all in relation to unrestricted funds.

17. DEBTORS

	2011 £	2010 £
Trade debtors	62,314	68,230
VAT	-	1,361
Other debtors	623,621	632,101
	685,935	701,692

Other debtors represents the final installment of the journal publishing income due but unpaid at the year end.

18. CURRENT ASSET INVESTMENTS

	2011 £	2010 £
Unlisted investments	1,035,740	334,877
	1,035,740	334,877

Current asset investments are unlisted liquid investments held in the UK which were primarily held in bank deposits.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

**19. CREDITORS:
Amounts falling due within one year**

	2011 £	2010 £
Net obligations under finance leases and hire purchase contracts	7,941	4,495
Trade creditors	275,670	287,528
Social security and other taxes	14,107	12,508
Other creditors	207,401	528,241
Accruals and deferred income	272,379	204,405
	<u>777,498</u>	<u>1,037,177</u>

Deferred income

The movement of deferred income, included within accruals and deferred income above, during the year was as follows:

	Membership income £	Other income including grants £	Total £
At 1 January 2011	16,224	89,000	105,224
Movement during the year	12,347	78,088	90,435
	<u>28,571</u>	<u>167,088</u>	<u>195,659</u>

Membership income related to subscriptions received in advance.

**20. CREDITORS:
Amounts falling due after more than one year**

	2011 £	2010 £
Net obligations under finance leases and hire purchase contracts	11,911	10,132
Grant awards	73,666	64,419
	<u>85,577</u>	<u>74,551</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2011 £	2010 £
Between one and five years	<u>11,911</u>	<u>10,132</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

21. PENSION COMMITMENTS

The BPS participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee administered funds (SAUL). The BPS has now adopted FRS17 for accounting for pension costs. It is not possible to identify the BPS's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (ie cash amounts) in accordance with paragraphs 8 12 of FRS17.

SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2008 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The following assumptions were used to assess the past service funding position and future service liabilities:

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	Past service	Future service
Investment return on liabilities - before retirement	6.90%	6.90%
Investment returns on liabilities - after retirement	4.80%	5.00%
Future salary increases	4.85%	4.85%
Future pension increases	3.35%	3.35%

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £1,266 million representing 100% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustees' long term investment strategy, the Trustees and the Employers agreed to maintain Employer and Member contributions at 13% of Salaries and 6% of Salaries respectively following the valuation.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS17 revealed SAUL to be in surplus at the last formal valuation date (31 March 2008).

The above rates will be reviewed when the result of the next formal valuation (as at 31 March 2011) are known.

At the date of approval of the financial statements this actuarial valuation had not been completed or received by the Trustees.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds						
Scientific Meetings	60,000	-	(60,000)	-	-	-
General funds						
General Funds	4,796,947	3,103,414	(2,714,781)	(5,151)	(271,067)	4,909,362
Total Unrestricted funds	4,856,947	3,103,414	(2,774,781)	(5,151)	(271,067)	4,909,362
Restricted funds						
In-Vivo Training Fund	22,850	42,000	(42,882)	5,000	-	26,968
In-Vivo Short Courses Fund	27,358	50,780	(117,757)	-	-	(39,619)
Wellcome Gold Medal Fund	2,000	-	(2,000)	-	-	-
Paton Fund	6,016	-	-	-	-	6,016
GRAC Fund	3,881	35,000	(26,088)	-	-	12,793
J R Vane Medal Fund	849	-	(1,000)	151	-	-
Gary Price Fund	8,582	-	-	-	-	8,582
Schachter Fund	1,986	-	(500)	-	-	1,486
Integrative Pharmacology Fund	954,231	11,422	(152,883)	-	-	812,770
E Learning for Healthcare "Prescribe" Initiative Fund	37,993	30,000	(25,014)	-	-	42,979
AstraZeneca Women in Pharmacology Prize Fund	3,000	-	(1,000)	-	-	2,000
MRC Short Course in Translational Pharmacology Fund	23,744	4,129	(2,301)	-	-	25,572
Other prizes and awards	500	5,500	(500)	-	-	5,500
	<u>1,092,990</u>	<u>178,831</u>	<u>(371,925)</u>	<u>5,151</u>	<u>-</u>	<u>905,047</u>
Total of funds	<u><u>5,949,937</u></u>	<u><u>3,282,245</u></u>	<u><u>(3,146,706)</u></u>	<u><u>-</u></u>	<u><u>(271,067)</u></u>	<u><u>5,814,409</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

22. STATEMENT OF FUNDS (continued)

The In-Vivo Training Fund consists of contributions from pharmaceutical companies and the Society to support in-vivo pharmacology training within certain bachelors and masters degree courses in universities in the UK.

The In-Vivo Short Courses Fund uses contributions by the Society, the Physiological Society, industry and research bodies to support short courses in in-vivo pharmacology and physiology. These courses are held at universities nationwide.

The Wellcome Gold Medal Fund provides a biennial prize and medal, funded by GlaxoSmithKline, for outstanding contributions to pharmacology based mainly on research achievements.

The Paton Fund was established jointly by Sir William Paton and the Society to support costs and expenses for those studying the history of pharmacology including ideas, techniques equipment etc. used in the development of experimental pharmacology.

The GRAC Fund has been donated by Pfizer to facilitate compilation, production and distribution of the Society's publication "Guide to Receptors and Channels".

The J R Vane Medal Fund, in recognition of the contribution of Sir John Vane to his field, consists of donations from pharmaceutical companies to provide a medal, awarded annually, for excellence in pharmacology.

The Gary Price Fund, in memory of the late Dr Gary Price, is funded by a single donation from GlaxoSmithKline to support lectures at BPS meetings.

The Schachter Fund, funded by donations from Mrs Ruth Schachter, provides grants to Student Members of the Society to visit other laboratories to learn techniques or to attend certain meetings.

The Integrative Pharmacology Fund, established by AstraZeneca, GlaxoSmithKline and Pfizer, supports research and training in integrative pharmacology and related disciplines with the objective of building capacity and ensuring the discipline's long-term viability in the UK.

The E-learning for Healthcare 'Prescribe' Initiative Fund was provided by the Department of Health to facilitate payments to BPS members contributing to the authoring and review of e-learning modules being developed between the Society and Department of Health, for the 38,000 medical students who train each year in the UK.

The Women in Pharmacology Prize has been created by a donation from AstraZeneca to provide the Society with a prize fund to recognise women whose career achievements have contributed significantly to our understanding of a particular field through excellence in research.

The MRC Short Course in Translational Pharmacology Fund was a capacity building grant by the Medical Research Council to enable the Society to develop and run a programme in 2010 in translational pharmacology that is suitable for eligible researchers from all biomedical disciplines involved in drug discovery and translational process.

Other Prizes and awards - from time to time the Society receives donations to enable it to provide grants or prizes related to ad hoc projects or initiatives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

22. STATEMENT OF FUNDS (continued)

At 31 December 2011, there is a deficit on the In-Vivo Short Courses Fund of £39,619 which has resulted from the provision of grant commitments for 2013 for which Research Council funding is expected but not confirmed at the year end. If sufficient funding for these grants is not obtained in the next financial year then these grants will be covered by those funds held within the Integrative Pharmacology Fund.

Subject to the above, the Society has sufficient resources to enable these funds to be applied in accordance with their respective restrictions.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Designated funds	60,000	-	(60,000)	-	-	-
General funds	4,796,947	3,103,414	(2,714,781)	(5,151)	(271,067)	4,909,362
	<u>4,856,947</u>	<u>3,103,414</u>	<u>(2,774,781)</u>	<u>(5,151)</u>	<u>(271,067)</u>	<u>4,909,362</u>
Restricted funds	1,092,990	178,831	(371,925)	5,151	-	905,047
	<u>5,949,937</u>	<u>3,282,245</u>	<u>(3,146,706)</u>	<u>-</u>	<u>(271,067)</u>	<u>5,814,409</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2011 £	Unrestricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
Tangible fixed assets	-	641,607	641,607	643,148
Fixed asset investments	-	2,965,052	2,965,052	3,266,525
Current assets	905,047	2,165,776	3,070,823	3,151,992
Creditors due within one year	-	(777,496)	(777,496)	(1,037,177)
Creditors due in more than one year	-	(85,577)	(85,577)	(74,551)
	<u>905,047</u>	<u>4,909,362</u>	<u>5,814,409</u>	<u>5,949,937</u>