

Registered number: 2877400
Charity number: 1030623

BRITISH PHARMACOLOGICAL SOCIETY

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

OBJECTIVES AND ACTIVITIES

Charitable object

The charitable object of the British Pharmacological Society ("the Society") is to promote and advance pharmacology (including without limitation clinical pharmacology).

Public benefit

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.

The British Pharmacological Society's mission is to promote and advance the whole spectrum of pharmacology. As a global community of over 4,000 scientists at the heart of research into drugs and the way they work, the Society's strategic objectives deliver this mission, and bring about advances in science, medicine and healthcare, with the following public benefits:

- Supporting the research and application of pharmacology by providing new opportunities for pharmacologists to present and publish their research, and nurturing their development of new skills.
- Improving clinical practice for the benefit of patients through the assessment and training of healthcare professionals and medical students.
- Educating the general public and school students with a range of engagement activities.

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 lead to improvements in health.

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regards to the Charity Commission's general guidance on public benefit "Charities and Public Benefit".

Objectives for 2017

The Society's Officers and Staff worked to deliver a range of objectives in support of its five-year strategy and its charitable aims. The objectives are listed in the "Achievements and Performance" section of this report, together with the activities undertaken, results and impact of those activities.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

OBJECTIVES AND ACTIVITIES (continued)

Strategies for achieving objectives

The Society's Council ratified in March 2012 a five-year strategy. Five priorities and two key principles were agreed and are listed below, forming the basis of the Society's strategy to 2017. A review was completed during 2015, the results of which have been incorporated into the Society's business planning for 2016 and 2017.

This strategy has determined the basis for the work of the Society's over this period.

Key principles

There are two overarching principles to be taken into account, when considering all future activities, namely:

- achieving financial resilience and
- further development and modernisation of the Society's equality and diversity policy.

Our key priorities

- Greater matching of the Society's activities to the needs of the Membership.
- Development of an integrated publications strategy.
- Explaining the importance of pharmacology in the modern world by extending the Society's teaching and outreach activities.
- Reflecting the increasingly multi-disciplinary nature of modern biomedical science by further developing the Society's collaborative activities with other Societies.
- Maintaining the Society's central position in the promotion of clinical pharmacology, the promotion of safe and effective prescribing, and in the discovery and development of medicines in the UK.
- Promote the Society as a truly international organization, while being mindful of the value of existing international bodies and partner organizations.

The Society's activities were focused on achieving these objectives throughout the year, as set out in pages 5 to 8.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

ACHIEVEMENTS, PERFORMANCE AND IMPACT

The Society set an ambitious 23 operational objectives for 2017 in support of its five-year strategy and its charitable aims. Over the course of the year, the Society's Officers and Staff delivered 19 of these and made significant progress towards achieving the other four. A summary of these activities and their outcomes can be found below. Consideration of impact fed into setting the 2017 objectives and the Society has initiated a project in 2018 to start to systematically measure and report impact.

Driving the Society's strategy from 2018

Propose to the Society a new long term strategy to run from 2018, by conducting a full strategy review	Achieved. New strategy 2018 to 2022 approved by Council in September 2017. A new strategy was presented to members during <i>Pharmacology 2017</i> , setting out a clear mission, guiding principles, and objectives for the Society to achieve in the years ahead.
Make recommendations on the facilities requirements, to match the Society's next five-year strategy	Achieved. Full report and recommendations approved by the Society's Council in September 2017.
Identify key health and disease challenges, alongside technical or scientific developments, to drive a scientific strategy for the Society for the next five years	Achieved. Analysis, and a report resulting from this work is already influencing the Society's engagement with policymakers, particularly around the UK Industrial Strategy and the Life Sciences Sector Deal.

Key principle 1: Work towards achieving greater financial resilience

Establish and consolidate BPS Assessment Ltd as a sustainable trading entity	Achieved. Established BPS Assessment Ltd Board of Directors; identified, prioritised and pursued new UK and international prospects among key prescribing groups; the initiative has generated significant new revenues.
Develop organisational capacity to identify and develop new commercial opportunities	Progress. Opportunities for e-learning and shared online platform concepts identified, although only at a very early stage of development.

Key principle 2: Development and modernization of the Society's equality and diversity policy to incorporate best practice into all the Society does

Foster greater inclusiveness in the Society, building on existing commitments to Equality & Diversity and member feedback	Achieved. New Equality, Diversity and Inclusion strategy developed and agreed by all core committees and approved by the Society's Council in December. All Society officers, staff and members are now encouraged to operate within this framework and measure standards of inclusiveness against it.
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BRITISH PHARMACOLOGICAL SOCIETY

**TRUSTEES' REPORT (continued)
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Key priority 1: Greater matching of the Society's activities to the needs of its Membership

Member numbers as at 31 December:

	31 Dec 2017	31 Dec 2016
Honorary Fellows	123	111
Fellows	289	221
Retired Members	462	494
Members	1,052	1,095
Early Career Members	269	246
Affiliate Members	98	101
Postgraduate Students	583	592
Undergraduate Students	1,251	1,165
Total	4,127	4,025

Develop a deeper understanding of the requirements of employment sectors served by pharmacology, and deliver new activities to support them	Achieved. With sector partners, developed a strategic plan to support clinical pharmacology skills, and produced an extensive report on the education and employment landscape with PwC. Findings informed the development and launch of a new suite of online resources for members and other stakeholders.
Continue to retain and grow our membership in a balanced way, to encourage new and established pharmacologists to join and take an active role in the Society	Progress. Overall growth in membership was <1% rather than the 6% target. New developments such as establishing the Fellows' and Honorary Fellows' Directories on the website showcases our most established pharmacologists and will support membership retention in future years.
Fully integrate Affinity Groups into key areas of the Society's activity	Progress. Members have been introduced to Affinity Groups through the annual <i>Pharmacology</i> meeting and via profile articles in <i>Pharmacology Matters</i> magazine, calling on members to engage with a Group. Not proven possible to achieve the large scale "full integration" within a year.
Enhance the Customer Relations Management system to begin to establish it as the Society's knowledge-management hub	Progress. Events functionality went live on the system in July 2017, enabling a simpler and smoother user journey for registrants. Plans have been prepared to upgrade and develop the system in 2018, including through a programme of staff training.
Establish impact reporting for the Society	Achieved. Consideration of impact has fed into every aspect of the Society's new strategy for 2018 to 2022, and when setting objectives for 2018.
Generate a vision that grows the <i>Pharmacology</i> meeting to be the international, annual, flagship congress for pharmacologists	Achieved. The vision to grow the annual <i>Pharmacology</i> meeting was approved by Council in September 2017 after being developed in parallel with the Society's new strategy 2018 to 2022. Plans include growing delegate numbers to 1,500 over the life of the new strategy, along with investing in the quality and relevance of speakers.

TRUSTEES' REPORT (continued)
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Key priority 2: Development of an integrated publications strategy

<p>Create a long term editorial strategy for BJP and BJCP, focusing on development and growth</p>	<p>Achieved. Development plans for BJP and BJCP have been set in place to support the continued growth of both journals. Publishing and bibliometrics data have been used to underpin future plans for commissioning, emerging areas, and target geographic regions to ensure that the journals continue to represent the international pharmacology landscape.</p>
<p>Investigate new ways of disseminating the outputs of pharmacological research</p>	<p>Achieved. Over the course of 2017, the Society considered a range of new publishing options, taking into account innovative technologies and the development of subject areas to serve pharmacology and the community. Proposals arising from this research phase will be evaluated by BPS Council in 2018.</p>

Key priority 3: Explaining the importance of pharmacology in the modern world by extending the Society's education and outreach initiatives

<p>Develop targeted information and signposting for basic, clinical and educational career pathways</p>	<p>Achieved. New Careers & Development section of website launched in December 2017, providing targeted resources and guidance tailored to specific audiences: undergraduates, postgraduates and specialty registrars.</p>
<p>Develop the Society's leadership within <i>in vivo</i> education and training</p>	<p>Achieved. We drew together the community of organisations involved in <i>in vivo</i> education and training through sector consultations and workshops on the recommendations of our Integrative Pharmacology Fund evaluation. In addition, we completed an educator survey on <i>in vivo</i> challenges, developed a curriculum with cross-sector support, and funded <i>in vivo</i> modules. The outputs of this work will support drug discovery through better training in the use of animal models.</p>
<p>Develop our understanding of the pharmacology requirements of educators, and deliver new activities to support them</p>	<p>Achieved. We co-created and delivered a range of new educational activities, including an education day at the <i>Pharmacology</i> meeting, an educator survey to refine the Society's teaching and learning resources and a revision of the teaching grant programme.</p>
<p>Engage more effectively with policy matters that directly affect pharmacology and clinical pharmacology</p>	<p>Achieved. The Society mounted two PR/awareness-raising campaigns and submitted 14 policy responses in 2017 covering a wide range of pharmacology areas, positioning the Society as thought leaders on issues affecting pharmacology and a valuable source of expertise and advice to policymakers.</p>
<p>Publish the outcomes of the <i>Focus on Pharmacology</i> project, and ensure outputs and recommendations to inform the Society's long term strategy</p>	<p>Achieved. A new curriculum has been produced and launched, supported by a wealth of data, together with an evaluation of the impact of various funding streams. The Society's new core curriculum will be used to create new degree courses encompassing pharmacology, from 2018.</p>
<p>Build capacity among members who can effectively represent the Society externally</p>	<p>Achieved. Medicine Makers public engagement training for members was held during the <i>Pharmacology 2017</i> meeting, and members used the engagement kits at</p>

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	public events throughout the year. A successful 'BPS Ambassador' pilot scheme, which aims to raise awareness of Society activities, and build capacity for engagement among networks of members, has paved the way for full implementation in 2018.
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Key priority 4: Reflect the increasingly multi-disciplinary nature of modern biomedical science by further developing collaborative activities with other Societies

BPS Council did not set specific objectives for this key priority for 2017, as significant progress had already been made towards the integration of collaborative working into the Society's standard working practices. However, critical advances were made in this area in the year under review.

In December 2017, the Society announced collaboration with Health Education England, the Faculty of Pharmaceutical Medicine and the Association of the British Pharmaceutical industry to form the Clinical Pharmacology Skills Alliance, to combat shortages in clinical pharmacology skills, which are of strategic importance as the UK prepares to deliver a sector deal for the life sciences.

BPS also brought together the community, including the Physiological Society and NC3Rs, to develop its research animals curriculum, and to consider new training initiatives in support of in vivo skills for drug discovery. We will use the research gained in 2017 to announce new activities in this area in 2018.

These new initiatives were responsive to needs outlined by government and directly linked to the Society's charitable remit. They were also supplemented by a roster of joint meetings and symposia, and a growing portfolio of joint issues of journals with partner societies including the American Society for Pharmacology and Therapeutics, the Biochemical Society, and the Physiological Society.

Key priority 5: Maintain the Society's central position in the promotion of clinical pharmacology, the promotion of safe and effective prescribing, and in the discovery and development of medicines in the UK

Engage strategically with our community and decision makers to protect and advance clinical pharmacology	Achieved. Engaged partners to amplify our messages by developing the 'CPT in the NHS' campaign into a Clinical Pharmacology Skills Alliance, which aligns with the Life Sciences Industrial Strategy). Held an inaugural Clinical Pharmacology Month in October 2017 to showcase the work of our clinical pharmacology community and promote it to wider audience.
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Key priority 6: Promote the Society as a truly international organization, while being mindful of the value of existing international bodies and partner organizations

Create a roadmap for the Society's delivery of the World Congress of Pharmacology 2022 (WCP 2022), with a view to being 'launch-ready' by WCP 2018	Achieved. The roadmap provides clear guidance on key milestones for the Society to achieve a successful meeting WCP2022 meeting. The congress will aim to support global pharmacology and a next generation of scientists, and the roadmap will underpin its successful delivery in 2022.
Consolidate and grow participation by all members in the Society's international networks in a sustainable way, informed and guided by a new International Advisory Group	Achieved. International Advisory Group (IAG) established, comprising 14 members drawn from 46 applications. An international engagement toolkit has been created and two articles promoting the IAG published in <i>Pharmacology Matters</i> .

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

FINANCIAL REVIEW

The Society's wholly-owned subsidiary BPS Assessment Limited commenced trading on 31 March 2017 and so the results in the Statement of Financial Activities on page 26 report the financial performance of the Group (the Society and its trading subsidiary) compared with the Society-only in 2016. This financial review consistently compares the Group incoming resources and expenditure for 2017 with the corresponding Society-only results in 2016. This is considered to be a meaningful comparison because, as can be seen in note 21 on page 40, the Group income and expenditure is only £94,050 and £93,089 higher than for the Society-only, respectively.

The Balance Sheets on page 27 provide details of the Group's, and the Society's, financial position at the year end.

For the year ended 31 December 2017 the total funds of the Group have increased by £295,830 (2016 - £210,828 decrease). The overall increase is made up of an increase in unrestricted funds of £334,341 (2016 - £92,676) and a decrease in restricted funds of £38,511 (2016 - £118,152).

Net gains on investments totalling £440,051 (2016 - £399,084) have contributed towards the overall movement in funds and are entirely attributable to unrestricted funds.

The resulting balance of total funds at 31 December 2017 amounted to £6,811,555 (2016 - £6,515,725) of which £6,375,790 (2016 - £6,041,449) is the unrestricted funds of the Society.

Incoming resources

Incoming resources for the year totalled £4,370,461 (2016 - £3,716,676) which is an increase of 17.6%. Importantly, charitable activity income from journal publishing, which is the Society's main income source, has increased by 17.3% to £3,679,876 (2016 - £3,136,439) mainly because of the relatively low value of UK Sterling compared with the US Dollar during the first half of 2017.

Member numbers increased by 2.5% to 4,127 (2016 - 4,025) and membership subscription income increased by 9.2% to £141,555 (2016 - £129,646) as a result of an increase in the proportion of members paying a higher level of subscription, particularly Fellows. The overall increase in membership reflects the Society's longer-term approach to strengthening and growing the discipline of pharmacology.

Scientific meetings income decreased by £101,394 to £99,626 (2016 - £201,020). Although Pharmacology 2017 was successful, 2016 contained also included one non-recurring large meeting and several other meetings planned for 2017 were postponed.

Voluntary income is mostly for educational activities; it decreased by £15,742 to £39,239 (2016 - £54,981) predominantly because of a reduction in the external funding for the Prescribing Safety Assessment.

Investment income was £38,277 higher at £153,591 (2016 - £115,314) reflecting a greater emphasis by the investment manager to seek dividends and interest.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Expenditure on charitable activities

Expenditure on charitable activities totalled £4,480,985 (2016 - £4,293,884) which is a 4.4% increase of £187,101. The most notable reasons for this increase are highlighted here.

Journal publishing costs increased by £221,636 to £1,569,519 (2016 - £1,347,883); the direct costs have been carefully controlled and the increase in total costs is largely attributable to the increased journal publishing income.

Expenditure on educational activities at £1,538,694 was a 4.5% increase of £66,626 over the previous year (2016 - £1,472,018) and included a second full-year of enhanced education activity such as "Focus on Pharmacology".

Projects and awards expenditure at £243,023 was also similar to the previous year (2016 - £244,065).

Scientific meetings expenditure at £803,479 was a 4.7% decrease of £39,470 over the previous year (2016 - £842,949).

Capital expenditure

Capital expenditure totalled £108,900 (2016 - £226,104) of which £51,071 (2016 - £142,609) is the development cost of the new online platform that began supporting online assessment services in 2017.

Reserves policy, designated funds and going concern

The balance on General Funds of £3,655,373 (2016 - £3,027,240) represents the reserves of the Society. The Trustees consider that the Society's reliance on publishing income is the predominant determinant of the level of reserves required and have calculated that a level of £3,600,000 would allow the Society to fulfil its commitments to its members both in terms of operations and activities over a period of one year if the Society's publications income failed or were severely reduced as well as covering a number of other potential adverse scenarios. The reserves reported at 31 December 2017 therefore represent 101.5% of the requirement.

The Trustees have continued to designate funds, as shown in note 21, in accordance with the Society's financial strategy.

The balance on the Prizes & Awards Fund is being maintained, via a transfer from the General Funds, at £1million so as to part-fund both current and future generations of beneficiaries. The World Pharma 2022 fund exists so as to underwrite a potential net cost to the Society of £500,000 (2016 - £500,000) for hosting the 2022 IUPHAR World Congress of Pharmacology and thus guarantee the running of the event.

The Guide to PHARMACOLOGY Fund of £253,164 (2016 - £374,536) is set aside in order to enable the production of the Guide to be funded until October 2020.

The Business Development Fund has been fully utilised (2016 - £168,816) to enable the Society to invest in innovation and product development activities to achieve the Society's strategic aim of revenue diversification and growth.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

TRUSTEES' REPORT (continued)
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Grant making policies

The Society's policy is to make grants that advance its objectives, 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.

Investment policy and performance

The Society holds investments with a value totalling £4,256,973 at 31 December 2017 (2016 - £5,040,832). During the 12 months to 31 December 2017, £1,100,000 (2016 - £Nil) has been withdrawn from the portfolio. The increase in value reflects a strong performance from global equity markets because of improving economics and synchronised global growth taking hold for the first time in five years.

Overall, the investment portfolio achieved a total return of 12.87% compared to the benchmark Wealth Management Association (WMA) balanced total return of 10.05%. Throughout the period, the cash position was increased repeatedly in order to take advantage of strong returns in order to crystallise capital gains and preserve funds ahead of the need to release them towards the end of the year. Throughout the year, global equity markets continued to rise and regularly attain new all-time highs. In addition, stock market gains were led by the big overseas earning investments that are listed on the FTSE100 index. The portfolio has an overweight position in these areas due to their defensive nature and high-quality management teams. A final reason for outperformance was the thematic investments in sustainable and ethical areas which have a global remit and have benefitted from a weaker Sterling. The fact that the Society requires the investment manager to avoid investment in tobacco and pharmaceutical companies has been positive over the past year as these areas have underperformed the market, unlike 2016 when they were some of the best performers.

Conversely, the portfolio has had its detractors in terms of UK focussed stocks, with media and utilities. These investments all continue to provide attractive yields but, certainly in the case of the utility companies, have had a poor run of form following the general election result and the prospect of nationalisation by a potential Labour government. The investment manager sees this as unlikely and considers the recent weakness as a buying opportunity for long term investors such as the Society.

The investments are managed on behalf of the Society by an investment management company, Brewin Dolphin (BD), who act for the Society on a fully discretionary basis. For the duration of the year, the portfolio has been managed at a "diversified" mid-level of risk. BD are required to have regard for the Society's status as an educational and health charity, and the Society specifically prohibits investments in tobacco companies. In addition, to maintain an impartial position, BD is also prohibited from investing directly in pharmaceutical companies. The Society's investment strategy works together with its reserves policy and seeks to provide against sudden loss of income from its traditional activities and in particular loss of income from its publishing activities.

The range of assets selected provides diversification and the opportunity to add value at the appropriate stage of the economic cycle. The balance between the different kinds of investments in both portfolios are determined by the investment manager's judgement of future returns likely to be obtained on each class of investments, 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.

Strategic benchmarks and structured reporting enables the Society to regularly review both the

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

performance of BD and its portfolios. Finance Committee met regularly throughout the year with the investment manager to review the entire portfolio and agree the relative strategic benchmarks from time to time. The Committee reviewed the performance of the investments each time it met and worked with the investment manager to ensure the investments provided long-term growth ahead of inflation, income and liquidity.

PLANS FOR FUTURE PERIODS

Five-year strategy 2018–2022

The Society set a new strategy in 2017 which builds on the strong foundation and success of the past five years. Our numerous achievements and increased profile, along with the support of a growing membership, means we are now in an excellent position to accomplish even more; to establish the Society as an influential and proactive force for championing research, education, training and policy issues in pharmacology and clinical pharmacology.

Guided by an updated set of principles and objectives, we look forward to working with Council and committee members, office staff and of course members to deliver another five years of success and progress for the Society, and pharmacology as a discipline.

Our vision

A world in which pharmacology and therapeutics drive and support progress in science, medicine and healthcare.

Our mission

We will work with integrity to create global scientific, health, and economic impact by:

- Supporting academic and industrial drug discovery
- Improving outcomes for patients in relation to the therapeutic use of medicines
- Widening participation in pharmacology and therapeutics to ensure a vibrant and diverse community and workforce
- Increasing the visibility and influence of pharmacology and therapeutics through excellence in education, publishing, scientific meetings, communications, membership and policy with public engagement

Our partners

We will work nationally and internationally with members, patients and the public, educators and learners, academic institutions, biotechnology and pharmaceutical companies, the National Health Service, regulatory agencies, other learned societies, the media, and government and agencies involved in setting the policy agenda.

Our guiding principles

We are confident about the future of the Society and the value of pharmacology and therapeutics. We believe that:

- Pharmacology and therapeutics make a unique contribution to research to develop new drugs, and to improving the use of existing drugs to create better patient outcomes
- Pharmacology and therapeutics are evolving disciplines, and it is our responsibility to define, redefine and change them to reflect this
- Our growing, global community of members is crucial to our success
- Our goals in support of pharmacology and therapeutics and our membership can only be achieved if we ensure the financial sustainability of the Society
- Having fun is an important part of what we do

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Objectives

To have an impact, we will focus on delivering the following objectives:

- To remove barriers to participation and success, while welcoming equality and celebrating diversity, and being inclusive in all we do
- To set the agenda in education and skills
 - To support access and career progression
 - To support the next generation of learners undertaking education in pharmacology and clinical pharmacology
 - To support pharmacology educators in their personal and professional development
- To be the leader in the dissemination of world-class research related to pharmacology and therapeutics
- To engage patients and partners in the NHS in our advocacy for fundamental and clinical research, as well as contributing to strategic leadership
- To sustain a skilled workforce that supports the development of novel therapeutics
- To lead the formation of valuable networks that reflect our position at the heart of the global pharmacology community
- To deliver clear, relevant and accessible advice to policy makers
- To nurture strategic partnerships across disciplines and sectors
- To define, monitor and respond to strategic areas of scientific priority

How we will deliver our strategy

- Forming successful partnerships to maximize impact
- Grounding our decision-making in evidence and research
- Developing sustainable, ethical new sources of revenue and ensuring more of the Society's activities are self-sustaining
- Carefully considering our appetite for risk, and our ambition
- Ensuring that our staff and members work positively, effectively, and in partnership throughout the management and governance of the Society

Objectives for the year to 31 December 2018

Council has set the following objectives for the year to 31 December 2018:

Strategy	Objective 2018
To remove barriers to participation and success, while welcoming equality and celebrating diversity, and being inclusive in all we do	<ul style="list-style-type: none"> • Finalise the Society's inclusion strategy, and begin its implementation with the ultimate aim that projects are developed with active consideration of equality, diversity and inclusion.
To set the agenda in education and skills <ul style="list-style-type: none"> - To support access and career progression - To support the next generation of learners undertaking education in pharmacology and clinical pharmacology - To support pharmacology educators in their personal & professional development 	<ul style="list-style-type: none"> • Develop our careers resources and connectivity with employers • Further develop the Society's leadership within in vivo education & training • Work with the education community to explore how the Society can best support its needs
To be the leader in the dissemination of world-class research related to pharmacology and therapeutics	<ul style="list-style-type: none"> • Deliver an integrated editorial strategy for BJP, BJCP and PR&P, focusing on journal development and growth

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Strategy	Objective 2018
	<ul style="list-style-type: none"> • Explore new ways of disseminating and communicating the outputs of pharmacological research • Increase impact and quality of the Society's existing publications • Begin implementing the five-year strategy of improving and growing the annual meeting • Review activities that will improve the quality of Society meetings, and our support for non-Society meetings
<p>To engage patients and partners in the NHS in our advocacy for fundamental and clinical research, as well as contributing to strategic leadership</p>	<ul style="list-style-type: none"> • Deliver a second Clinical Pharmacology Month in October 2018 • Continue to deliver the Prescribing Safety Assessment to a high standard across all UK Medical Schools • Engage strategically with our community and decision makers to protect and advance clinical pharmacology
<p>To sustain a skilled workforce that supports the development of novel therapeutics</p>	<ul style="list-style-type: none"> • Deliver high quality training and education activities with a focus on skills • Plan and begin implementing the expansion of the Society Ambassadors scheme
<p>To lead the formation of valuable networks that reflect our position at the heart of the global pharmacology community</p>	<ul style="list-style-type: none"> • Demonstrate the excellence of UK pharmacology and therapeutics, through attendance and support of WCP2018 • Launch the Society's hosting of IUPHAR's flagship 19th World Congress of Basic and Clinical Pharmacology – WCP2022 • Ascertain a present-day understanding of what membership of the Society could be, as a precursor to developing an updated membership strategy. • Ensure that Pharmacology Matters showcases the full breadth and scope of activities undertaken by the Society
<p>To deliver clear, relevant and accessible advice to policy makers</p>	<ul style="list-style-type: none"> • Respond to Pharmacology-relevant consultations on behalf of the Society • Develop our role as a valuable contributor to life science and health policy through targeted campaigns
<p>To nurture strategic partnerships across disciplines and sectors</p>	<ul style="list-style-type: none"> • Ensure that all projects in our work throughout 2018 are developed in collaboration and consultation with sector partners and related disciplines at the appropriate stage
<p>To define, monitor and respond to strategic areas of scientific priority</p>	<ul style="list-style-type: none"> • Consider and advise upon the role played by pharmacology, clinical pharmacology and therapeutics in responding to global health

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Strategy	Objective 2018
	challenges and scientific or technological developments, working with key stakeholders
We will underpin our activities by focusing on sustainability, resource and infrastructure, in the following areas:	<ul style="list-style-type: none"> • Continued development of sustainable and ethical income streams, moving towards self-financing of existing activities, as well as new revenues through our trading subsidiary, BPS Assessment Ltd • Conducting a systematic review of areas of activity in order to establish the scope to generate value and income, and to consider efficiencies • Reviewing Governance practices across the Society to ensure they are appropriate for the 2018 -2022 strategy • Considering options for new premises that will be an appropriate home for the Society and take into account growth and best working practices for staff

STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative details are shown in the schedule of members of the board and professional advisers on pages 20 to 21 of the financial statements.

The Trustees

The Trustees of the charity for the year under review are shown below with details of their attendance at the four Council meetings held in 2017 (2016 – four meetings).

Elected Officer Trustees

President	D J Webb	4/4
President-Elect	S J Hill	4/4
Honorary Treasurer	R J Plevin	4/4

Elected Trustees

E Baker	4/4	(until 31 December 2017)
M Skingle	3/4	
S C Stanford	4/4	
I Williams	0/0	(until 20 March 2017)

Appointed Trustees

E Mason	4/4
C Gloor	4/4
A Seeley	3/4

**TRUSTEES' REPORT (continued)
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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.

The Society's governing document is its Articles of Association and Rules. At the Society's Annual General Meeting in December 2014, the overwhelming majority of members who voted, voted in favour of new Articles of Association and Rules which took effect from 1 January 2016. The change has simplified decision-making by devolving all but key strategic and financial decisions to seven core committees each chaired by a Vice President or officer, who have significant autonomy and control over their budgets.

The Trustees are legally responsible for the overall governance, strategy and direction of the Society. In terms of the Charities Act 2011, 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 comprises between nine (minimum) and twelve (maximum) Trustees. The President (Chair), President-Elect and Honorary Treasurer are elected by the Voting Members. Other Trustees (of whom at least one is from industry, one representing clinical pharmacology and one Young Pharmacologist) are either elected by the Voting Members or appointed by Council. Appointed Trustees have appropriate skills to assist in the good governance of the Society; the maximum number of appointed Trustees is one third of the total number of Trustees and so cannot exceed four.

Job descriptions have been produced for Council members and are regularly reviewed to ensure they reflect the Society's strategic aims. A comprehensive review of Council members' job descriptions was undertaken in 2017 in parallel with the development of the Society's strategy 2018 to 2022 and the changes have been implemented with effect from 1 January 2018. The job descriptions specify the knowledge, skills and attributes that are needed by the members and Trustee training is undertaken annually.

When considering elections for, and appointment of Trustees, Council follows the requirements of the Society's constitution, the 3rd Edition of the Charity Commission's Governance Code for Trustees and Guidance Note CC30 of the Charity Commission:

- The 3rd Edition of the Charity Commission's Governance Code for Trustees sets out the hallmarks of an effective charity, which includes the 'foundation principle' that all Trustees understand their legal duties, are committed to the charity's cause and good governance;
- 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"*.

Trustees are elected to serve for periods of between three and four years, depending on office. Elections to the Council take place each year and only members in good standing may be nominated as elected Trustees. Appointed Trustees have the same responsibilities and powers as elected Trustees and any such appointment shall be for such period as Council determines, subject to a maximum of three years, after which any person so appointed shall be eligible for election as a Trustee (including as an Officer) by the Voting Members, but shall not be re-appointed by the Council until a period of at least one year has elapsed after expiry of their term of office.

Member participation in the Society's charitable mission is crucial so as to shape the future direction of the Society's activities. This is why members are invited to self-nominate and why, in 2017, Council decided to extend the right to self-nominate to Early Career and Postgraduate members, in addition to Full and Retired Members and Fellows and Honorary Fellows.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Council has delegated responsibility to a small Management Group, chaired by the President, to oversee the day to day operations of the Society; the Group also comprises the President-Elect, Honorary Treasurer and Chief Executive. The seven core committees to whom powers are delegated report back to Council and each one is responsible for considering risk and reporting changes in the risk profile and actions required to Council. Members of these Committees comprise both Trustees and/or elected Vice-Presidents, together with other members. Financial management is delegated to the Finance Committee chaired by the Honorary Treasurer. The journals are managed by the Society's Publications Committee, which in turn delegates responsibility to the journals' Management and Editorial Boards.

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 Management Group has delegated 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 2017 the Society had 22 full time staff and utilised the services of specialist consultants as required. The Chief Executive reports back to Council and Management Group on performance against the objectives of the Society.

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 Trustees thank these members for all of the activities they have undertaken on behalf of the Society.

The Society participates actively in the wider bioscience community both in the UK and internationally, including but not limited to, collaborative funding of research and education initiatives and the hosting of scientific meetings. Details of these activities are included in the section on Achievements and Performance on pages 5 to 8.

Remuneration of key management personnel

In determining appropriate levels of remuneration for staff, the Society aims to provide overall packages of terms and conditions that are affordable, competitive and will help to attract, retain and motivate high quality individuals capable of achieving the Society's objectives. The Society wishes to ensure that staff are fairly rewarded for their individual and collective responsibilities and contributions to the Society's overall performance.

The Society believes that remuneration should contain both discretionary cost of living and non-recurring performance-related elements and these elements should relate both to the performance of the Society and the state of its finances.

Council has determined that whilst it retains overall responsibility for remuneration and employment benefits, it delegates operation of such matters to Management Group (in respect of the Chief Executive and Finance & Commercial Director), Remuneration & Benefits Group (in respect of other key management personnel) and Finance Committee (cost of living element and overall affordability). When considering recommendations for performance awards and any changes to salary, Management Group and Remuneration & Benefits Group are provided with individuals' performance compared with set objectives and targets, and benchmarking information. Finance Committee consider external data on general inflation and wage inflation when considering any cost of living award.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

Risk assessment

The 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 a continuing basis by the Finance Committee and a report is made to the 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. Although the Trustees are reassured by the publishers that a catastrophic loss of income is unlikely in the short to medium term, the Society's reliance on publishing income means this risk is the predominant determinant of the level of free reserves held by the Society according to its Reserves Policy. Other significant risks identified derive from this primary risk and include the risk that business development activities underway do not result in alternative, sustainable sources of net revenue.

Fundraising

The Society does not actively engage in any significant fundraising as described in guidance from the Charity Commission "Charity fundraising: a guide to trustee duties (CC20)", and so has not engaged a professional fundraiser or commercial participator to carry out any fundraising activities, and has therefore not subscribed to any fundraising standards or scheme of fundraising regulation. No complaints have been recorded about any fundraising activity and the Society does not conduct any fundraising behaviour that could be expected to unreasonably intrude or place undue pressure on vulnerable people and other members of the public to give money or other property to the Society.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of the 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 law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of its income and expenditure 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 accounting estimates that are reasonable and prudent;
- state whether applicable Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are 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.

BRITISH PHARMACOLOGICAL SOCIETY

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

The trustees are responsible for keeping proper 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.

DISCLOSURE OF INFORMATION TO AUDITOR

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 18 April 2018 and signed on their behalf by:

S J Hill
President

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

Trustees

S J Hill
M Pirmohamed (from 1 January 2018)
R J Plevin
C Gloor
I McFadzean (from 1 January 2018)
J Mitchell (from 1 January 2018)
E Morrison (from 1 January 2018)
R M Quinn (from 1 January 2018)
A Seeley
M Skingle
S C Stanford (from 1 January 2017)
D J Webb (until 31 December 2017)
E Baker (until 31 December 2017)
E Mason (until 31 December 2017)
I Williams (until 20 March 2017)

Key management personnel

J Brün Chief Executive
D James Executive Director, Strategic Innovation
L McCleneghan Head of Meetings & Events (from 19 February 2018)
L Page Head of Education & Engagement (from 18 September 2017)
M Poole Finance & Commercial Director
K Steer Head of Communications & Membership (until 10 August 2017)
S Schweda Head of Meetings & Events (from 1 February 2017; until 31 January 2018)
K Wilson Head of Publishing
A Zecharia Director, Policy & Public Affairs

Charity registered number

1030623

Company registered number

2877400

Company Secretary

M Poole

Registered office

The Schild Plot
16 Angel Gate
City Road
London EC1V 2PT

BRITISH PHARMACOLOGICAL SOCIETY

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND
ADVISERS (CONTINUED)

Independent auditors

Kingston Smith LLP
Chartered Accountants & Statutory Auditor
Devonshire House
60 Goswell Road
London EC1M 7AD

Bankers

Cooperative Bank plc
1 Islington High Street
London N1 9TR

Barclays Bank plc
1st Floor
27 Soho Square
London W1D 3QR

Solicitors

Taylor Vinters LLP
Merlin Place
Merlin Road
Cambridge CB4 0DP

Investment managers

Brewin Dolphin
12 Smithfield Street
London EC1A 9BD

VAT consultants

Haslers
Chartered Accountants
Old Station Road
Loughton IG10 4PL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE
BRITISH PHARMACOLOGICAL SOCIETY

We have audited the financial statements of British Pharmacological Society for the year ended 31 December 2017 which comprise Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE
BRITISH PHARMACOLOGICAL SOCIETY

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE
BRITISH PHARMACOLOGICAL SOCIETY

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 18 and 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF THE
BRITISH PHARMACOLOGICAL SOCIETY

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

.....
Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date:

Devonshire House
60 Goswell Road
London
EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

BRITISH PHARMACOLOGICAL SOCIETY
REGISTERED NUMBER: 2877400

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
INCOME AND ENDOWMENTS FROM:							
Donations and legacies	2	32,825	6,414	39,239	54,981	-	54,981
Investments	3	-	153,591	153,591	-	115,314	115,314
Charitable activities	4	54,570	4,117,980	4,172,550	11,103	3,531,299	3,542,402
Other	5	-	5,081	5,081	-	3,979	3,979
TOTAL INCOME		87,395	4,283,066	4,370,461	66,084	3,650,592	3,716,676
EXPENDITURE ON:							
Raising funds	6	-	33,697	33,697	-	32,704	32,704
Charitable activities	7	150,906	4,330,079	4,480,985	230,986	4,062,898	4,293,884
TOTAL EXPENDITURE		150,906	4,363,776	4,514,682	230,986	4,095,602	4,326,588
Net gains on investments		-	440,051	440,051	-	399,084	399,084
NET INCOME / (EXPENDITURE)		(63,511)	359,341	295,830	(164,902)	(45,926)	(210,828)
Transfers between Funds	21	25,000	(25,000)	-	46,750	(46,750)	-
NET MOVEMENT IN FUNDS		(38,511)	334,341	295,830	(118,152)	(92,676)	(210,828)
Total funds brought forward		474,276	6,041,449	6,515,725	592,428	6,134,125	6,726,553
TOTAL FUNDS CARRIED FORWARD	21	435,765	6,375,790	6,811,555	474,276	6,041,449	6,515,725

All activities relate to continuing operations.

The net income of the parent Society itself amounted to £282,295 (2016 - net expenditure of £210,828).

The notes on pages 29 to 45 form part of these financial statements.

BRITISH PHARMACOLOGICAL SOCIETY
REGISTERED NUMBER: 2877400

BALANCE SHEETS
AS AT 31 DECEMBER 2017

	Note	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
FIXED ASSETS					
Intangible assets	13	212,791	218,583	212,791	218,583
Tangible assets	14	741,307	749,119	741,307	749,119
Investment in subsidiaries	15	-	-	2	2
Investments	16	4,256,973	5,040,832	4,256,973	5,040,832
		<u>5,211,071</u>	6,008,534	<u>5,211,073</u>	6,008,536
CURRENT ASSETS					
Debtors	17	1,455,060	856,531	1,569,010	856,531
Cash at bank and in hand		853,992	456,711	754,056	456,711
		<u>2,309,052</u>	1,313,242	<u>2,323,066</u>	1,313,242
CREDITORS: amounts falling due within one year	18	(611,277)	(709,508)	(626,254)	(709,510)
		<u>1,697,775</u>	603,734	<u>1,696,812</u>	603,732
NET CURRENT ASSETS		<u>1,697,775</u>	603,734	<u>1,696,812</u>	603,732
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,908,846</u>	6,612,268	<u>6,907,885</u>	6,612,268
CREDITORS: amounts falling due after more than one year	19	(97,291)	(96,543)	(97,291)	(96,543)
		<u>6,811,555</u>	6,515,725	<u>6,810,594</u>	6,515,725
NET ASSETS		<u>6,811,555</u>	6,515,725	<u>6,810,594</u>	6,515,725
CHARITY FUNDS					
Restricted funds	21	435,765	474,276	435,765	474,276
Unrestricted funds					
Unrestricted designated funds	21	2,710,417	3,014,209	2,710,417	3,014,209
Unrestricted general fund	21	3,665,373	3,027,240	3,664,412	3,027,240
		<u>6,375,790</u>	6,041,449	<u>6,374,829</u>	6,041,449
TOTAL FUNDS		<u>6,811,555</u>	6,515,725	<u>6,810,594</u>	6,515,725

The financial statements were approved by the Trustees on 18 April 2018 and signed on their behalf by:

R J Plevin

Honorary Treasurer

The notes on pages 29 to 45 form part of these financial statements.

COMPANY NUMBER 2877400

BRITISH PHARMACOLOGICAL SOCIETY
REGISTERED NUMBER: 2877400

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net movement in funds	295,830	(210,828)
Adjustments for:		
Depreciation of intangible fixed assets	97,587	89,841
Depreciation of tangible fixed assets	24,479	24,179
Loss on disposal of tangible fixed assets	438	-
(Gains) on investments	(440,051)	(399,084)
Dividends and interest received	(153,591)	(115,314)
Decrease / (increase) in debtors	(598,529)	823,983
(Decrease) / increase in creditors	(97,483)	(161,717)
NET CASH (USED IN) / GENERATED BY OPERATING ACTIVITIES	(871,320)	51,060
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to intangible fixed assets	(91,795)	(186,092)
Purchase of tangible fixed assets	(17,105)	(40,012)
Purchase of investments	(541,344)	(1,798,446)
Proceeds from sale of investments	1,765,254	1,460,658
Dividends and Interest received	153,591	115,314
NET CASH FROM INVESTING ACTIVITIES	1,268,601	(448,578)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	397,281	(397,518)
Cash and cash equivalents at beginning of year	456,711	854,229
CASH AND CASH EQUIVALENTS AT END OF YEAR	853,992	456,711

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted, judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Group is a public benefit group for the purposes of FRS 102 and the Charity is a registered charity established as a company limited by guarantee, and therefore the Charity has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and Charities Act 2011.

1.2 Companies Act 2006

The prescribed profit and loss account formats required by Section 396 of the 2006 Companies Act have not been adhered to in disclosing the financial results of the Charity and Group for the year ended 31 December 2017. It is the opinion of the Trustees that strict adherence to these formats would be misleading to the membership of the Charity and Group and prevent the financial statements from showing a true and fair view as required by Section 393 of the 2006 Companies Act. In all other respects the financial statements comply with the requirements of the Companies Act 2006.

In accordance with Section 408 of the Companies Act 2006 a separate Statement of Financial Activities dealing with the results of the charity has not been presented.

1.3 Basis of consolidation

The Group financial statements consolidate the financial statements of the Charity and its subsidiary undertaking for the year. On 27 January 2016 the Society incorporated two new companies, BPS Assessment Limited and BPS Trading Services Limited. BPS Assessment Limited remained dormant throughout 2016 and commenced trading in 2017 which is why the Society has produced consolidated financial statements. BPS Trading Services Limited remained dormant throughout 2016 and 2017. The Society's wholly-owned, dormant subsidiary company, Pharma-CAL-ogy Limited, was formally dissolved on 23 August 2016.

All financial statements are made up to 31 December 2017. All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group. The summary financial statements of BPS Assessment Limited are shown in Note 15.

1.4 Going concern

The trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees have considered the charitable company's forecasts and projections and have taken account of pressures on fee income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements. There are no material uncertainties.

1.5 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 or which have been raised by the charity for particular purposes. The costs 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (CONTINUED)

1.6 Incoming resources

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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.

1.7 Resources expended

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Raising funds

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

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*.

Grants awarded

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

Allocation of overheads

Central overhead costs are allocated to activities on the basis of total staff costs:

	2017	2016
Member services	15%	17%
Journal publishing costs	17%	15%
Educational activities	47%	47%
Projects and awards	2%	2%
Scientific meetings	19%	19%

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 on the basis of total staff costs.

1.8 Intangible and tangible fixed assets, and amortisation and depreciation

All assets costing more than £2,000 are capitalised.

Fixed assets are stated at cost less depreciation. The residual value of the long leasehold property is considered to be at least equal to the carrying value and therefore no depreciation has been provided as this would be immaterial and the Society maintains the property in good condition. Amortisation and depreciation on other fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

- Intangible: Computer software & website - over 3 to 5 years straight line
- Tangible: Long leasehold property - none
- Tangible: Fixtures & fittings - over 5 to 8 years straight line
- Tangible: Computer equipment - over 3 years straight line

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. ACCOUNTING POLICIES (CONTINUED)

1.9 Revaluation of tangible fixed assets

Freehold land and buildings are stated at their deemed cost being the valuation at the date of transition to FRS 102. The charitable company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any impairment losses. The company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the previous revaluation as deemed cost.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Statement of Financial Activities.

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 Other financial instruments

Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

1.12 Company status

The Charity is a company limited by guarantee. The directors of the company are the Trustees named on page 21. 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 Society is a Participating Employer in the Superannuation Arrangements of the University of London ("SAUL"). 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 £1,927 million representing 97% of the liabilities for benefits accrued up to 31 March 2014.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The Society accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

The Society also contributes to a defined contribution scheme for the benefit of its employees and contributions payable are charged to the Statement of Financial Activities.

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

1.15 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements:

- The valuation of the Society's long leasehold premises has a significant effect on the amounts recognised in the financial statements. Further details of the value at which the premises are included can be found in note 14.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. DONATIONS AND LEGACIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Donations and grants	32,825	6,414	39,239
	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Donations and grants	54,981	-	54,981

3. INCOME FROM INVESTMENTS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Income from UK listed investments	-	136,201	136,201
Income from non-UK listed investments	-	17,045	17,045
Bank interest receivable	-	345	345
	-	153,591	153,591
	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Income from UK listed investments	-	100,349	100,349
Income from non-UK listed investments	-	13,032	13,032
Bank interest receivable	-	1,933	1,933
	-	115,314	115,314

4. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Membership subscriptions	-	141,555	141,555
Journal publishing income	-	3,679,876	3,679,876
Educational activities	54,570	196,923	251,493
Scientific meetings	-	99,626	99,626
	54,570	4,117,980	4,172,550
	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Membership subscriptions	-	129,646	129,646
Journal publishing income	-	3,136,439	3,136,439
Educational activities	11,103	64,194	75,297
Scientific meetings	-	201,020	201,020
	11,103	3,531,299	3,542,402

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

5. OTHER INCOME

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Other income	-	5,081	5,081
	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Other income	-	3,979	3,979

6. INVESTMENT MANAGEMENT COSTS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Investment management fees	-	33,697	33,697
	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Investment management fees	-	32,704	32,704

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Activities undertaken directly 2017 £	Grant funding of activities (Notes 8 & 9) 2017 £	Support costs (see below) 2017 £	Total 2017 £
Members services	148,522	867	176,931
Journal publishing costs	1,375,343	-	194,176
Educational activities	877,931	111,159	549,554
Projects and awards	70,497	152,365	20,161
Scientific meetings	580,313	2,100	221,066
	3,052,606	266,491	1,161,888

Analysis of Support Costs

	Basis of Allocation	Total 2017 £
Finance	Total staff costs	136,539
IT	Total staff costs	185,634
Staff costs	Total staff costs	425,779
Policy & Public Engagement	Total staff costs	146,821
Governance	Total staff costs	54,420
Executive	Total staff costs	29,431
HR	Total staff costs	108,238
Premises	Total staff costs	75,026
		1,161,888

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)

	Activities undertaken directly 2016 £	Grant funding of activities (Notes 8 & 9) 2016 £	Support costs (see below) 2016 £	Total 2016 £
Members services	194,497	-	192,472	386,969
Journal publishing costs	1,177,539	-	170,344	1,347,883
Educational activities	815,898	120,303	535,817	1,472,018
Projects and awards	69,414	153,092	21,559	244,065
Scientific meetings	622,212	1,600	219,137	842,949
	<u>2,879,560</u>	<u>274,995</u>	<u>1,139,329</u>	<u>4,293,884</u>

Analysis of Support Costs

	Basis of Allocation	Total 2016 £
Finance	Total staff costs	183,517
IT	Total staff costs	193,498
Staff costs	Total staff costs	392,159
Policy & Public Engagement	Total staff costs	167,067
Governance	Total staff costs	43,519
Executive	Total staff costs	33,321
HR	Total staff costs	68,850
Premises	Total staff costs	57,398
		<u>1,139,329</u>

8. GRANTS TO INDIVIDUALS

	Number 2017	Total 2017 £	Number 2016	Total 2016 £
A J Clark Studentships	1	78,691	1	84,291
Bursaries	107	30,993	122	37,574
Women in Pharmacology	-	-	-	-
Ambassadors Scheme	4	867	-	-
Teaching grant	-	-	1	4,803
	<u>112</u>	<u>110,551</u>	<u>124</u>	<u>126,668</u>

Bursaries consist of 107 grants of between £32 and £750 (2016 - 122 grants of between £16 and £750) to assist individuals to attend conferences.

9. GRANTS TO INSTITUTIONS

	Total funds 2017 £	Total funds 2016 £
Educational activities	32,469	31,209
Projects and awards	121,372	115,518
Scientific meetings	2,100	1,600
	<u>155,941</u>	<u>148,327</u>
In Vivo Training and Short Courses	25,604	21,209
Guide to Pharmacology	121,372	115,518
Education and Outreach Funding	6,865	10,000
Scientific Meetings	2,100	1,600
	<u>155,941</u>	<u>148,327</u>

In Vivo Short Courses and Training grants are given to universities for educational purposes. During the year 7 (2016 - 7) awards of between £2,500 and £8,000 (2016 - £2,500 and £8,000) were made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

10. GEOGRAPHICAL MARKETS

82% of the Charity's journal publishing income (2016 - 80%) is attributable to geographical markets outside the United Kingdom. All other incoming resources are attributable to the United Kingdom.

11. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2017	2016
	£	£
Depreciation of intangible fixed assets	97,587	89,841
Depreciation of tangible fixed assets owned by the charity	24,479	24,179
Loss on disposal of tangible fixed assets owned by the charity	438	-
Auditors' remuneration		
Audit - Charity - current year	9,645	8,065
Audit - Subsidiary - current year	975	-
Audit - Charity - prior year	222	-
Accountancy - prior year	-	5,537
Other - Financial advice	750	1,812
	<u>97,587</u>	<u>101,334</u>

During the year, no Trustees received any remuneration (2016 - £Nil).

During the year, 6 (2016 - 9) Trustees were reimbursed for travel and subsistence and other general expenses totalling £18,041 (2016 - £16,238).

12. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	984,218	842,960
Social security costs	111,264	92,903
Pension costs	101,492	104,776
	<u>1,196,974</u>	<u>1,040,639</u>

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

	2017	2016
	No.	No.
Total headcount	21	18
Full time equivalent basis	<u>21</u>	<u>18</u>

The number of higher paid employees was:

	2017	2016
	No.	No.
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	2	1
In the band £110,001 - £120,000	1	1
	<u>3</u>	<u>3</u>

Pension contributions in respect of higher paid employees amounted to £34,071 (2016: £38,606).

Key management personnel include the Chief Executive together with senior staff reporting directly to the Chief Executive as shown in the legal and administrative page and totals 7 staff (2016: 7 staff). The total employee benefits of the charity's key management personnel amounted to £616,276 (2016: £576,954).

The Society accounts for its participation in SAUL as if it were a defined contribution pension scheme (see note 1.14). Contributions of £101,135 (2016: £104,776) were payable in the year with payments of £15,540 (2016: £12,291) outstanding at the year end. Contributions into the separate defined contribution pension scheme of £357 (2016: £Nil) were payable in the year, with no payments outstanding at the end of the year (2016: £Nil)

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13. INTANGIBLE FIXED ASSETS

Group & Charity

Intangible fixed assets comprise computer software and website.

	Total
	£
Cost	
At 1 January 2017	459,037
Additions	91,795
At 31 December 2017	550,832
Amortisation	
At 1 January 2017	240,454
Charge for the year	97,587
At 31 December 2017	338,041
Net book value	
At 31 December 2017	212,791
At 31 December 2016	218,583

14. TANGIBLE FIXED ASSETS

Group & Charity

	Long leasehold property	Fixtures & fittings	Computer equipment	Total
	£	£	£	£
Cost or Valuation				
At 1 January 2017	710,000	98,085	73,433	881,518
Additions	-	-	17,105	17,105
Disposals	-	(1,095)	(2,703)	(3,798)
At 31 December 2017	710,000	96,990	87,835	894,825
Depreciation				
At 1 January 2017	-	86,463	45,936	132,399
Charge for the year	-	4,618	19,861	24,479
On disposals	-	(657)	(2,703)	(3,360)
At 31 December 2017	-	90,424	63,094	153,518
Net book value				
At 31 December 2017	710,000	6,566	24,741	741,307
At 31 December 2016	710,000	11,622	27,497	749,119

Revaluation of fixed assets

The Society has applied the transitional arrangements of Section 35 of FRS 102 and used a valuation with an effective date of 1 January 2014 as the deemed cost of the long leasehold property. The valuation was performed independently on a Market Value basis by Altus Edwin Hill, Chartered Surveyors. The historic cost of the long leasehold property is £273,816.

The long leasehold property is owned under a 999 year lease from 25 December 1989.

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NOTES TO THE FINANCIAL STATEMENTS
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15. FIXED ASSET INVESTMENT IN SUBSIDIARIES

The Society's investment at the balance sheet date in the wholly-owned share capital of the following, unlisted companies, is as follows:

	2017 £	2016 £
Current assets	2	2
Total Net assets	<u>2</u>	<u>2</u>
Called up share capital		
BPS Assessment Limited (incorporated 27 January 2016)	1	1
BPS Trading Services Limited (Dormant; incorporated 27 January 2016)	1	1
	<u>2</u>	<u>2</u>

BPS Assessment Limited (company number 09973409; registered office 16 Angel Gate, City Road, London, EC1V 2PT) commenced trading on 31 March 2017 and its turnover, expenditure and profit are summarised as follows:

	2017 £
Turnover	115,950
Expenditure	114,989
Profit	<u>961</u>

16. FIXED ASSET INVESTMENTS

Group & Charity

	Listed securities 2017 £	Listed securities 2016 £
Market value		
At 1 January	5,040,832	4,303,960
Additions	541,344	1,798,446
Disposals (realised gain of £115,022; 2016 £32,231)	(1,650,232)	(1,428,427)
Revaluations	325,029	366,853
At 31 December	<u>4,256,973</u>	<u>5,040,832</u>
Historical cost	<u>3,305,663</u>	<u>4,066,528</u>

Investments at market value comprise:

	UK £	Overseas £	2017 £
Listed investments	<u>2,800,135</u>	<u>1,456,838</u>	<u>4,256,973</u>
	UK £	Overseas £	2016 £
Listed investments	<u>3,536,242</u>	<u>1,504,590</u>	<u>5,040,832</u>

The above investments are all in relation to unrestricted funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

17. DEBTORS

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Trade debtors	26,090	92,904	140,040	92,904
Other debtors	1,317,736	690,372	1,317,736	690,372
Prepayments and accrued income	111,234	73,255	111,234	73,255
	<u>1,455,060</u>	<u>856,531</u>	<u>1,569,010</u>	<u>856,531</u>

Other debtors mainly represents journal publishing income due but unpaid at the year end. Trade debtors of the Charity includes £113,950 in respect of the subsidiary undertaing BPS Assessment Limited (2016 - £Nil)

18. CREDITORS

Amounts falling due within one year

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Trade creditors	222,658	320,857	263,608	320,857
Other taxation and social security	49,205	39,498	49,205	39,498
Other creditors	138,279	167,827	138,281	167,829
Accruals and deferred income	201,135	181,326	175,160	181,326
	<u>611,277</u>	<u>709,508</u>	<u>626,254</u>	<u>709,510</u>

Trade creditors of the Charity includes £40,950 in respect of the subsidiary undertaing BPS Assessment Limited (2016 - £Nil). Included within other taxation and social security is an amount of £15,540 (2016 - £12,991) in respect of pension liabilities. Included within other creditors is an amount of £87,779 (2016 - £99,485) in respect of A J Clark studentship commitments and £6,404 (2016 - £26,064) in respect of deficit contributions due to SAUL.

Deferred income (Group & Charity)

The movement of deferred income, included within accruals and deferred income above, during the year was all in respect of membership income related to subscriptions received in advance and was as follows:

	2017 £	2016 £
At 1 January	6,565	27,729
Movement during the year	1,099	- 21,164
At 31 December	<u>7,664</u>	<u>6,565</u>

19. CREDITORS

Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Grant awards - A J Clark studentships	97,291	90,027	97,291	90,027
Deficit contributions due to SAUL	-	6,516	-	6,516
	<u>97,291</u>	<u>96,543</u>	<u>97,291</u>	<u>96,543</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

20. PENSION COMMITMENTS

The Society participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and is contracted-out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on either a Final Salary basis or a Career Average Revalued Earnings ("CARE") basis. Following a consultation with Members, the SAUL Final Salary Section closed from 31 March 2016 and all Members build up benefits on a CARE basis from 1 April 2016.

The Society is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2014. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed in November 2015 and are due to be reviewed at SAUL's next formal valuation in 2017.

The Trustee and Employers have agreed that the Technical Provisions deficit at the 31 March 2014 valuation would be addressed by employer contributions of 3% of Salaries between 1 April 2016 and 31 March 2018 (inclusive). The overall level of the Employers' contributions therefore increased from 13% of Salaries to 16% of Salaries with effect from 1 April 2016.

The Trustee and Employers have agreed that the Technical Provisions deficit at the 31 March 2014 valuation will be addressed by employer contributions of 3% of Salaries between 1 April 2016 and 31 March 2018 (inclusive). The defined benefit liability to be recognised by the Society in respect of the deficit contributions due to SAUL (i.e. the present value of the deficit contributions) is £6,404 as at 31 December 2017 (2016 £32,580). This liability is based on a projection of Salaries over the period 1 January 2018 to 31 March 2018 (2016 - 1 January 2017 to 31 March 2018).

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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS

SUMMARY OF FUNDS

Group

	Brought forward 2017 £	Incoming resources 2017 £	Resources expended 2017 £	Transfers in / (out) 2017 £	Gains / (losses) 2017 £	Carried forward 2017 £
Designated funds	3,014,209	-	(544,405)	240,613	-	2,710,417
General funds	3,027,240	4,283,066	(3,819,371)	(265,613)	440,051	3,665,373
Total unrestricted funds	6,041,449	4,283,066	(4,363,776)	(25,000)	440,051	6,375,790
Restricted funds	474,276	87,395	(150,906)	25,000	-	435,765
Total funds	6,515,725	4,370,461	(4,514,682)	-	440,051	6,811,555
	2016 £	2016 £	2016 £	2016 £	2016 £	2016 £
Designated funds	3,294,465	-	(522,651)	242,395	-	3,014,209
General funds	2,839,660	3,650,592	(3,572,951)	(289,145)	399,084	3,027,240
Total unrestricted funds	6,134,125	3,650,592	(4,095,602)	(46,750)	399,084	6,041,449
Restricted funds	592,428	66,084	(230,986)	46,750	-	474,276
Total funds	6,726,553	3,716,676	(4,326,588)	-	399,084	6,515,725

Charity

	Brought forward 2017 £	Incoming resources 2017 £	Resources expended 2017 £	Transfers in / (out) 2017 £	Gains / (losses) 2017 £	Carried forward 2017 £
Designated funds	3,014,209	-	(544,405)	240,613	-	2,710,417
General funds	3,027,240	4,189,016	(3,726,282)	(265,613)	440,051	3,664,412
Total unrestricted funds	6,041,449	4,189,016	(4,270,687)	(25,000)	440,051	6,374,829
Restricted funds	474,276	87,395	(150,906)	25,000	-	435,765
Total funds	6,515,725	4,276,411	(4,421,593)	-	440,051	6,810,594
	2016 £	2016 £	2016 £	2016 £	2016 £	2016 £
Designated funds	3,294,465	-	(522,651)	242,395	-	3,014,209
General funds	2,839,660	3,650,592	(3,572,951)	(289,145)	399,084	3,027,240
Total unrestricted funds	6,134,125	3,650,592	(4,095,602)	(46,750)	399,084	6,041,449
Restricted funds	592,428	66,084	(230,986)	46,750	-	474,276
Total funds	6,726,553	3,716,676	(4,326,588)	-	399,084	6,515,725

The unrestricted general fund gains/(losses) comprises net gains on investments of £440,051 (2016 £399,084).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

21. STATEMENT OF FUNDS (CONTINUED)

UNRESTRICTED DESIGNATED FUNDS

Group & Charity

	Brought forward 2017 £	Incoming resources 2017 £	Resources expended 2017 £	Transfers in / (out) 2017 £	Gains / (losses) 2017 £	Carried forward 2017 £
World Pharma 2022	500,000	-	-	-	-	500,000
World Pharma 2018	3,155	-	-	-	-	3,155
Prizes and awards	1,000,000	-	(182,784)	182,784	-	1,000,000
Guide to Pharmacology	374,536	-	(121,372)	-	-	253,164
Business Development	168,816	-	(117,745)	(51,071)	-	-
Fixed Asset	967,702	-	(122,504)	108,900	-	954,098
Total Unrestricted Designated funds	3,014,209	-	(544,405)	240,613	-	2,710,417

	2016 £	2016 £	2016 £	2016 £	2016 £	2016 £
World Pharma 2022	500,000	-	-	-	-	500,000
World Pharma 2018	3,155	-	-	-	-	3,155
Prizes and awards	1,000,000	-	(158,900)	158,900	-	1,000,000
Guide to Pharmacology	490,054	-	(115,518)	-	-	374,536
Business Development	445,636	-	(134,211)	(142,609)	-	168,816
Fixed Asset	855,620	-	(114,022)	226,104	-	967,702
Total Unrestricted Designated funds	3,294,465	-	(522,651)	242,395	-	3,014,209

UNRESTRICTED GENERAL FUNDS

Group

	Brought forward 2017 £	Incoming resources 2017 £	Resources expended 2017 £	Transfers in / (out) 2017 £	Gains / (losses) 2017 £	Carried forward 2017 £
Total Unrestricted General funds	3,027,240	4,283,066	(3,819,371)	(265,613)	440,051	3,665,373

	2016 £	2016 £	2016 £	2016 £	2016 £	2016 £
Total Unrestricted General funds	2,839,660	3,650,592	(3,572,951)	(289,145)	399,084	3,027,240

Charity

	Brought forward 2017 £	Incoming resources 2017 £	Resources expended 2017 £	Transfers in / (out) 2017 £	Gains / (losses) 2017 £	Carried forward 2017 £
Total Unrestricted General funds	3,027,240	4,189,016	(3,726,282)	(265,613)	440,051	3,664,412

	2016 £	2016 £	2016 £	2016 £	2016 £	2016 £
Total Unrestricted General funds	2,839,660	3,650,592	(3,572,951)	(289,145)	399,084	3,027,240

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21. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS

Group & Charity	Brought forward 2017 £	Incoming resources 2017 £	Resources expended 2017 £	Transfers in/(out) 2017 £	Carried forward 2017 £
Schachter Fund	5,179	-	(500)	-	4,679
Gary Price Fund	8,521	-	-	-	8,521
Paton Fund	5,290	-	(598)	-	4,692
AstraZeneca Women In Pharmacology Prize Fund	3,000	-	(1,000)	-	2,000
Wellcome Gold Medal	-	-	-	-	-
GlaxoSmithKline Award	-	-	-	-	-
Other prizes and awards	2,756	5,325	(5,325)	-	2,756
E-Learning for Healthcare "Prescribe" Initiative Fund	121,263	-	(5,420)	-	115,843
Prescribing Safety Assessment	293,918	79,570	(135,563)	25,000	262,925
Integrative Pharmacology Fund	10,905	2,500	(2,500)	-	10,905
In Vivo Training Fund	-	-	-	-	-
In Vivo Short Courses Fund	-	-	-	-	-
MRC Short Course in Translational Pharmacology Fund	23,444	-	-	-	23,444
Total Restricted funds	474,276	87,395	(150,906)	25,000	435,765

	2016 £	2016 £	2016 £	2016 £	2016 £
Schachter Fund	7,016	-	(1,837)	-	5,179
Gary Price Fund	8,582	-	(61)	-	8,521
Paton Fund	5,290	-	-	-	5,290
AstraZeneca Women In Pharmacology Prize Fund	4,000	-	(1,000)	-	3,000
Wellcome Gold Medal	1,600	-	-	(1,600)	-
GlaxoSmithKline Award	1,650	-	-	(1,650)	-
Other prizes and awards	2,375	2,481	(2,100)	-	2,756
E-Learning for Healthcare "Prescribe" Initiative Fund	172,941	-	(51,678)	-	121,263
Prescribing Safety Assessment	316,598	56,000	(128,680)	50,000	293,918
Integrative Pharmacology Fund	35,946	5,103	(30,144)	-	10,905
In Vivo Training Fund	9,179	2,500	(11,679)	-	-
In Vivo Short Courses Fund	3,807	-	(3,807)	-	-
MRC Short Course in Translational Pharmacology Fund	23,444	-	-	-	23,444
Total Restricted funds	592,428	66,084	(230,986)	46,750	474,276

FUND TRANSFERS

The unrestricted general fund has been used to restore the prizes and awards designated fund back to £1m with a transfer of £182,784 (2016 £158,900). The Business Development fund has been used to fund £51,071 (2016 £142,609) of the additions to fixed assets; all other additions to fixed assets totalling £57,829 (2016 £83,495) have been funded by the unrestricted general fund. The unrestricted general fund also supports the Prescribing Safety Assessment with a transfer of £25,000 (2016 £50,000) matching the funding received from the Medical Schools Council. Transfers totalling £Nil (2016 £3,250) from the unrestricted general fund to the Wellcome Gold Medal and GlaxoSmithKline Award restricted funds are in respect of corrections to prior-year expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

21. STATEMENT OF FUNDS (CONTINUED)

DESIGNATED FUNDS

World Pharma 2022

The Society will be hosting the 2022 IUPHAR World Congress of Pharmacology, its bid to do so having been successful in July 2014, and £500,000 has been designated to fully underwrite the potential net cost of the event.

World Pharma 2018

The Society has designated funds for bursaries for 2018 IUPHAR World Congress of Pharmacology in Japan.

Prizes and Awards

This fund aims to provide income and capital growth to finance a proportion of the Society's charitable grants to individuals. The amount of funding required is reviewed annually.

Guide to Pharmacology

This fund will enable the Society's intended commitment to production of the *Guide to Pharmacology* to be funded until October 2020.

Business Development

This fund enables the Society to invest in innovation and product development activities to achieve the aims of revenue diversification and growth. The amount of funding required is reviewed annually.

Fixed Assets

The Society owns one long leasehold property in London and a variety of other fixed assets. This fund represents the net book value of such assets.

RESTRICTED FUNDS

In Vivo Training Fund

This 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.

In Vivo Short Courses Fund

This 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 courses are fully funded from contributions from the Medical Research Council, Wellcome Trust, the Physiological Society and the BPS Integrative Pharmacology Fund.

Wellcome Gold Medal Fund

This fund provides a biennial prize and medal, funded by GlaxoSmithKline, for outstanding contributions to pharmacology including ideas, techniques equipment etc, used in the development of experimental pharmacology.

Paton Fund

This 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.

GRAC Fund

This fund was donated by Pfizer to facilitate compilation, production and distribution of the Society's publication "Guide to Receptors and Channels".

Gary Price Fund

This fund, in memory of the late Dr Gary Price, is funded by a single donation from GlaxoSmithKline to support lectures at Society meetings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

21. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS (CONTINUED)

Schachter Fund

This is 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.

Integrative Pharmacology Fund

This fund which was 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. During the year, £Nil donations were approved from this fund (2015 £47,500 made up of £25,000 to the In Vivo Short Courses Fund, £20,000 to the In Vivo Training Fund and £2,500 was charged as an administrative fee by the Society in respect of administration of the fund. All of the above amounts have been shown within transfers in 2015).

E-Learning for Healthcare "Prescribe Initiative Fund"

This fund was provided by the Department of Health to facilitate payments to Society 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.

AstraZeneca Women in Pharmacology Prize Fund

This fund was 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.

MRC Short Course in Translational Pharmacology Fund

This fund was established by a capacity building grant from 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.

World Pharma 2014 Bursaries Fund

This fund was established with money received in the year ended 31 December 2013 to fund bursaries for Young Pharmacologists to attend the World Congress of Pharmacology held in Cape Town, South Africa in July 2014.

Prescribing Safety Assessment Fund

This fund arose through the transfer of the balance of funds of a project initiated by the Dept. of Health. The project will now be continued by the Society in conjunction with the Medical Schools Council to develop an assessment for final year medical students in prescribing.

Business Development Fund

This fund was established following the receipt of funding from a government-backed service offering support to businesses with the potential to improve and grow.

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.

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

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22. RELATED PARTY TRANSACTIONS

During the course of the year the Society transacted with BPS Assessment Limited, its wholly-owned subsidiary undertaking. The amounts owing to and from the subsidiary are included in notes 17 and 18.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	212,791	212,791
Tangible fixed assets	-	741,307	741,307
Investment in subsidiary	-	-	-
Fixed asset investments	-	4,256,973	4,256,973
Current assets	465,765	1,843,286	2,309,052
Creditors due within one year	(30,000)	(581,277)	(611,277)
Creditors due in more than one year	-	(97,291)	(97,291)
	<u>435,765</u>	<u>6,375,790</u>	<u>6,811,555</u>

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £
Intangible fixed assets	-	218,583	218,583
Tangible fixed assets	-	749,119	749,119
Investment in subsidiary	-	-	-
Fixed asset investments	-	5,040,832	5,040,832
Current assets	657,230	656,012	1,313,242
Creditors due within one year	(182,954)	(526,554)	(709,508)
Creditors due in more than one year	-	(96,543)	(96,543)
	<u>474,276</u>	<u>6,041,449</u>	<u>6,515,725</u>