



**TRUSTEES REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Registered number: 2877400  
Charity number: 1030623**



**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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## OBJECTIVES, STRATEGY 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 at the forefront of our fight to help ensure everyone can live healthy lives for longer. We use the term pharmacology to encompass all areas of the science of drugs and medicine and we recognise that pharmacologists work across multi-disciplinary boundaries. Pharmacology makes a unique contribution to research to develop new drugs, and to improving the use of existing drugs for better patient outcomes.

The British Pharmacological Society's purpose is to promote and advance all disciplines of pharmacology in the discovery, development and use of medicines.

The annual objectives are designed to support the Society in the delivery of this purpose, and in turn, they bring advances in science, medicine and healthcare with the following public benefits:

- Supporting the research and application of pharmacology by providing opportunities for pharmacologists to present and publish their research to their peers, fostering collaboration and building connections globally in drug discovery and development.
- Improving clinical practice for the benefit of patients through the assessment and training of healthcare professionals and medical students.
- Informing public policy on medicines, dosage and therapeutics.
- Educating the general public and school students with a range of engagement activities.

The Society supports its members by offering access to scientific meetings, networking events, opportunities for career development, access to journals, bursaries, education and training, and being part of a community. This enables Members to deliver better science, leading to public benefit.

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

### New Strategy 2022 - 2024

The Society launched its new three-year strategy in January 2022. The strategy, developed by its Trustees in collaboration with its staff and members builds on strong foundations and keeps the needs of its community at the heart of its future. Our revitalised and bold approach for the next three years is driven by new values and was created amid the COVID-19 pandemic. The strategy focusses on raising even greater awareness of the impact of our discipline, bringing pharmacologists more closely together, and supporting and celebrating their scientific advances for the health of humans and animals.

It followed a turbulent two years for global health, during which Society members around the world actively contributed to saving lives and reducing the effects of COVID-19. But though this has been a challenging period for science and medicine, the Society's plans for 2022-2024 seek to use the renewed profile of pharmacology and drug discovery to further improve the understanding of their benefits to the wider community.

The 3-year strategy sets out our strategic goals in three broad areas:

- PROGRESSING OUR PHARMACOLOGY PRIORITIES
- CELEBRATING AND CONNECTING OUR COMMUNITY
- SUSTAINING OUR SOCIETY.

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## BRITISH PHARMACOLOGICAL SOCIETY

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

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Our approach to delivering against these three broad goals is set out within the strategy and summarised in the table below.

<b>Progressing our pharmacology priorities</b>
What we will achieve: <ul style="list-style-type: none"><li>• We will advance the discipline of pharmacology, communicating its beneficial impact on animal and human health</li><li>• We will bring pharmacologists together to make advances in priority research areas</li><li>• We will work with our community and stakeholders to make progress on issues that matter</li></ul>
How we will get there: <ul style="list-style-type: none"><li>• By supporting training, workforce development, and multi-professional partnerships</li><li>• By driving an innovative programme of commissioned and member-led content</li><li>• By leveraging our strengths in the production and delivery of quality content, to disseminate cutting-edge science worldwide</li><li>• By curating, and where necessary expanding, content into thematic priorities, which are joined-up across policy, publishing, education, training, and meetings</li></ul>
<b>Celebrating and connecting our community</b>
What we will achieve: <ul style="list-style-type: none"><li>• We will foster and celebrate a diverse pharmacological community, flexing our provision to meet its changing needs</li><li>• We will anticipate the changing needs of the pharmacological community, recognising and supporting all individuals, at all stages of their careers</li><li>• We will dismantle barriers to inclusion if we identify any within the Society</li></ul>
How we will get there: <ul style="list-style-type: none"><li>• By harmonising our education, training, and engagement projects in collaboration with our community across all settings, by aligning them to our thematic priorities</li><li>• By focusing on removing barriers to inclusion and building equity throughout the Society</li><li>• By embracing digital opportunities to grow membership and expand engagement</li><li>• Inspiring the new generation by articulating the breadth and depth of pharmacology</li></ul>
<b>Sustaining our Society</b>
What we will achieve: <ul style="list-style-type: none"><li>• We will secure our future to support the next generation of pharmacologists and to continue to champion the importance of the discipline</li><li>• We will build our financial and structural resilience with sustainable decision frameworks, diversified funding streams and robust governance</li></ul>
How we will get there: <ul style="list-style-type: none"><li>• By developing and adapting our publishing portfolio, ensuring we provide a place to publish for all pharmacology researchers</li><li>• By building BPS Assessment Ltd into the premier assessment and learning business for prescribing skills</li><li>• By adopting best practice environmental, social and governance policies and practices</li><li>• By pursuing ethical income opportunities and developing targets to reach Net Zero</li></ul>

The Society's Officers and Staff worked to deliver a range of annual objectives that link directly to the strategy. The annual objectives together with the activities undertaken, results and impact of those activities are listed in the "Objectives, Performance, Achievements and Impact" section of this report.

## OBJECTIVES, PERFORMANCE, ACHIEVEMENTS AND IMPACT 2022

The Trustees and Staff agreed a series of annual objectives for the Society for 2022 aligned to the 2022-2024 strategic plan. Progress was reported to Trustees on a regular basis throughout the year to celebrate success and identify areas of challenge. Members worked with the Staff team through committees, advisory group and working groups to progress all areas of the Society's work and significant progress was made throughout the year.

All objectives aligned to the strategic goals and objectives set out in the organisational strategy, this new approach ensured that the impact of the Society's work can be communicated effectively to our members and the wider community over the current strategy period.

### Progressing our pharmacology priorities

#### **Strengthening the foundations of clinical pharmacology through supporting the training, workforce development, and multi-professional partnerships that enable the safe and effective development and use of medicines.**

- Working with partners in the Clinical Pharmacology Skills Alliance and NHS England & Improvement, continue to build the value and impact case for investing in UK clinical pharmacology.
- Building on prior campaigns, sustain and grow engagement with clinical pharmacology as a career, growing the pipeline in line with the CPSA ten-year workforce strategy.
- Working with the Medical Schools Council ensure that the PSA is secured for future delivery to Medical Students and Foundation Doctors.

#### **Bringing the pharmacological community together through an innovative programme of commissioned and member-led content, online and in-person.**

- Build a strategic plan for our 2022 - 2023 events schedule including intended aims and priorities of each event that balances both the Society's charitable and commercial aims.
- Build momentum and excitement for WCP2023 through careful planning, ensuring key milestones are met and the Executive's vision for the meeting is adopted.
- Working with our partners expand our reach to new or under-served communities through the provision of and delivery of co-organised meetings.
- Secure opportunities to partner with our sister societies to showcase pharmacology on a global scale.

#### **Curating, and where necessary expanding, content into thematic priorities, which are joined-up across policy, publishing, education, training, and meetings.**

- Develop a plan to identify and connect ideas and activities into thematic priorities which can be delivered through policy work, website pages, awareness days and meetings, implementing steps via communication channels where possible.
- Drive and coordinate impactful activity on, and approach to, thematic priorities, including our process for consolidating and creating links across existing and emerging priorities

#### **Leveraging our strengths in the production and delivery of quality content to disseminate cutting edge science to a global audience.**

- Build and expand our digital meeting offering including hybrid meetings and BPS Live
- Prioritise commercial partnerships that can amplify the quality and reach of our content to new audiences.

### Impact statement

The Society launched a joint report with the Royal College of Physicians, *Personalised prescribing: using pharmacogenomics to improve patient outcomes* in March 2022. This report attracted significant media impact, over 600 news articles across 36 different countries and was utilised to engage Parliamentary support during Evidence Week where the report and briefing was shared with 61 MPs and peers.

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Clinical Pharmacology Week (10th-14th October): had activities driven through social media this year - aiming to spread the message about clinical pharmacology, and the role it plays in healthcare. This included sharing video content with interviews from clinical member pharmacologists working in various fields (from NHS to Industry) and promotion of the new clinical pharmacology apprenticeship. A social media toolkit was shared via our member networks; utilised notably by the University of Liverpool, who used the branding from the toolkit to create cards to promote the work of their own clinical pharmacologists.

The Society strengthened its partnership working by jointly hosting two successful partner meetings with ELRIG on 'New Drug Modalities' in July 2022 and The Physiological Society on 'Lungs: More than gas exchange' meeting held in November 2022. Through these joint ventures the Society provided a platform for our members to share their science across disciplines and share, debate and discuss cutting edge research and training methodologies.

The Society's new principles for inclusive implementation of the curriculum were ratified by Council and shared widely through publication, sessions at Pharmacology 2022 and through the educator network. They were endorsed by IUPHAR and published by PR&P. Through the Education and Training Committee's commitment to inclusive pharmacology as a priority area, they commissioned a grant call resulting in the award of three grants focusing on inclusivity.

Commercial partnerships web page launched with case studies of completed partnerships to encourage and bring to life opportunities. The World Congress of Basic and Clinical Pharmacology is a key event in the 2023 calendar, much of the preparation work was undertaken in 2022, including the launch of Abstracts and registration and conversations with partners to build a vibrant and engaging global meeting. Working with the Congress leadership, Professor David Webb and Professor Amrita Ahluwalia has ensured the scientific programme is exemplary and over 1000 abstracts were submitted by December 2022.

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**Celebrating and connecting our community**

**Focusing on removing barriers to inclusion, building equity and accessibility into every entry, progression, and decision point within the Society.**

- Work to empower committees and teams to collaborate by removing barriers and monitoring progress across our activities
- Develop a consistent approach to governance, recruitment and organisational policies across our activities
- Develop our approach to being an inclusive employer, evolving and living a positive culture
- Expand and connect each journal's EDI action plan to generate joint approach across the Society's publications, in line with latest industry best practice and with the needs of our community.
- Review of pay policy to ensure it is fair, equitable and competitive

**Harmonising our education, training and engagement projects in collaboration with our community, by aligning them to our thematic priorities and taking account of the needs of those within industry, academia and clinical settings.**

- Develop a publishing plan for increasing industry engagement and contributions to our Journals.
- Building on prior work, further develop our education and engagement communities (including Ambassadors) by providing opportunities for networking and shared learning throughout the year.
- Develop an integrated learning pathways approach to education and training, delivering tangible activities for the pharmacology community

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**Embracing digital opportunities so that we can extend our reach, grow membership, and expand our communities of engagement.**

- Developing a Digital Working Group which will allow all staff a space where they can discuss the development and delivery of content via existing and new digital channels.
- Ensure that the new contact relationship management system (CRM) is established as our principal knowledge hub post go-live in 2022.
- Embed and refine processes to facilitate hybrid and digital Council and all governance related meetings to aid inclusive decision-making irrelevant of the ability to travel.

**Sharing stories that articulate the breadth and depth of pharmacology, to represent and inspire the next generation of pharmacologists.**

- Develop a coordinated approach to curating and sharing a diverse set of member profiles and stories that are tailored to key audiences with the aim of supporting member engagement with the Society, careers opportunities and pharmacology more broadly.
- Further develop Pharmacology Matters and the Society's blog to amplify the depth and breadth of pharmacology, using it as a vehicle to showcase the work and impact of our members.

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**Impact statement**

Committee and staff leads collaborated and contributed to a discussion paper of current inclusive work and successes (including Grants, Awards, Committee membership, and Society membership). An action plan template framework was developed, and all core committees discussed this in the 2022 cycle, embedding this into core process. Committees will develop targeted action plans in 2023 and continue to share best practice and learnings to build capacity and understanding.

Following approval by the Engagement Committee, a brand-new network was launched on the BPS Community platform - the Engagement Network. As well as being a space to share engagement training opportunities and tips, the platform is used to promote the new Engagement webinars - the first of which was held in October, following excellent feedback these will continue to be hosted throughout 2023.

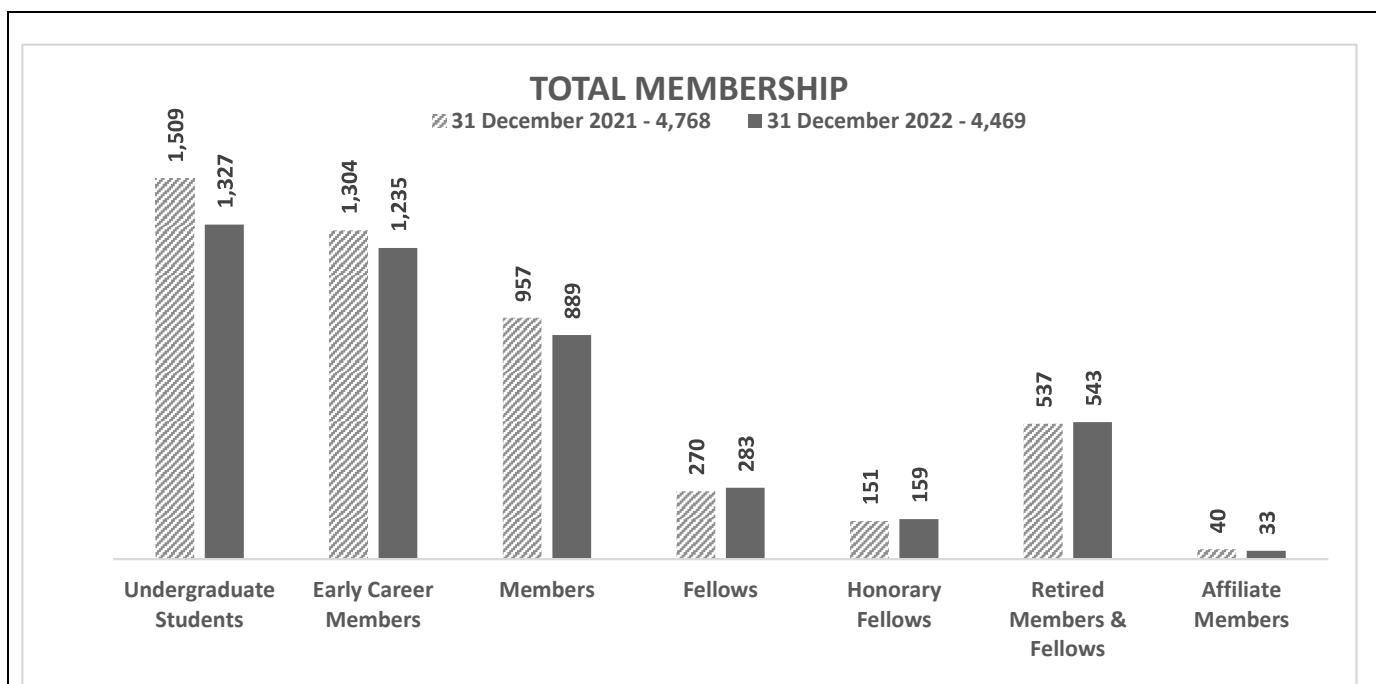
Five BPS training workshops have been successfully delivered on the following topics: Genomics in Drug Discovery and Development, Statistics, PROTACS, Pharmacology and Drug Discovery and Pharmacokinetics and Pharmacodynamics. Pharmacology and Drug Discovery eLearning was developed using the platform and pre-course learning was sent out to the delegates who attended the Statistics training, this has been built into the eLearning platform and can be used for future sessions.

The new CRM went live on 30 September 2022 and will provide a firm foundation for achievement of efficiency, effectiveness and service improvements.

Using our Blog, we have developed short articles and stories to inspire and educate. One highlight has been the development of our Unmet Health Needs series in the latter half of the year. Pharmacology Matters is commissioning content related to meetings, and to wider pharmacological/societal topics, for example Pharmacology in the Metaverse, the most popular article of the August 2022 issue. We have recruited a new deputy editor, their clinical expertise will broaden the scope of Pharmacology Matters, increasing our reach and relevancy.

Member numbers declined in 2022 after two years of growth and reaching in their highest-ever levels in 2021. The reduction was mostly due to a fall in the number of Undergraduate Student members.

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Voting Members are:

Honorary Fellows, Fellows, Retired Members & Fellows, Members and Early Career Members.

**Sustaining our society**

**Developing and adapting our publishing portfolio, taking into account the research environment and community requirements, ensuring we provide a place to publish for all pharmacology researchers.**

- Develop rationale for publishing portfolio expansion or adaptation, with cultivation of stakeholder buy-in.
- Explore the development of Pa2 into platform for abstracts and posters, with potential for expansion into other content types and outputs, up to and including articles.
- Work with IUPHAR and NC-IUPHAR to ensure the long-term stability of the Guide to Pharmacology database as an OA tool for the pharmacology community.

**Building BPS Assessment Ltd into the premier assessment and learning business for prescribing skills by growing national and global sales of our core products and services.**

- Build a sustainable business, putting the company on a secure financial footing that is underpinned by clear business targets
- Build on our existing knowledge and understanding of the UK markets to drive awareness of our B2C products
- Create a clear development pipeline - ensuring platform keeps abreast of good practice in e-learning and assessment

**Adopting best practice environmental, social and governance policies and practices, and pursuing ethical income opportunities whilst developing clear targets to de-carbonise and reach Net Zero.**

- Complete an investment policy review, considering the Society's approach to ESG principles, and implications for staff pension arrangements
- Conduct an options appraisal for the Society's premises
- Create a framework that supports donations and legacies.
- Embed a good understanding of the Society's financial strategy and ensure that clear and efficient processes are in place, so all individuals associated with budgets are financially empowered to fulfil their objectives

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- Initiate benchmarking exercise to understand baseline environmental footprint of the organisation.
- Build sponsor and partnership relationships with existing and new commercial partners
- Establish operation of BPS Trading Services to underpin commercial partnerships activity.

#### Impact statement

The Society's financial planning horizon extends over a three-year time period and through this long-term approach the Trustees identified the necessity to resolve the steady net-spend resulting in a gradual reduction of the Society's net assets over a three-to-five-year timeframe. This responsible approach to financial planning resulted in the Trustees approving the formation of three working groups to focus on business planning opportunities for the Society. Given significant groundwork completed by the development of a publishing strategy in early 2022 a journals working group convened first. In the latter quarter of 2022 the Trustees approved the formation of two further working groups for meetings and training, and operations and resourcing.

The trading subsidiary, BPS Assessment Ltd is overseen by a Board of external and internal Non-Executive Directors, all of whom have appropriate expertise relevant to the business. Despite staff vacancies and challenges as the sales effort recovered from losses during the pandemic years, the end of year sales were £266,558 which represents a 35% increase on 2021 sales. Renewal rate was >98% with an ever-growing number of multiyear deals indicating customer satisfaction and loyalty.

The Society's investment policy was thoroughly reviewed through the lens of Environmental, Social and good Governance factors resulting in a revised investment policy that fits the Society's ethical investment objectives. The Trustees approved the new policy and our investment managers have been instructed to enact changes as required.

A framework for receiving donations was not progressed in 2022, however through the planning process for the World Congress of Basic & Clinical Pharmacology the Society has partnered with Enthuse a charitable donation platform to fundraise to support early career researchers attend the Congress in 2023. The Society was delighted to receive a significant donation from the Dollery family. Through the generous donation, the Society launched the Sir Colin Dollery Clinical Pharmacology Training Award. This award was established to celebrate the life and legacy of Sir Colin Dollery and it aims to support the discipline of Clinical Pharmacology by encouraging medical students to pursue Clinical Pharmacology as a specialty and increasing basic pharmacology skills for medical students pursuing a career path within industry.

BPS Trading Services Limited commenced trading with effect from 01 January 2022 and recorded Turnover of £41,900 in its first year.

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**PLANS FOR FUTURE PERIODS**

2023 will be the second year of delivery of the Society's three-year strategy 2022-2024, building on the success of 2022 the Society will aim to:

**Progressing our Pharmacology Priorities**

**Strengthening the foundations of clinical pharmacology through supporting the training, workforce development, and multi-professional partnerships that enable the safe and effective development and use of medicines.**

- Working with partners, including the Clinical Pharmacology Skills Alliance (CPSA), to review our approach to building the discipline and career paths for clinical pharmacology.
- Build on BPS facilitated training and awareness campaigns to support and grow all forms of clinical pharmacology (NHS, academic, and drug discovery).
- Deliver the Dacre review, an independent review of the Prescribing Safety Assessment and enable the Society to curate a response and act on its outcomes.

**Bringing the pharmacological community together through an innovative programme of commissioned and member-led content, online and in-person.**

- Build a strategic plan for our 2023-2027 events schedule, in collaboration with the Meetings and Training Working Group, with a focus on increasing revenue from our events.
- Deliver a successful and financially profitable WCP2023, meeting all KPIs and supporting the needs of the Executive Committee and other stakeholders, while upholding the BPS values.
- Work with commercial partners and sister societies to expand our reach and showcase pharmacology on a global scale through the provision of and delivery of co-organised meetings.

**Curating, and where necessary expanding, content into thematic priorities, which are joined-up across policy, publishing, education, training, and meetings.**

- Develop and communicate policy messages (particularly across our campaign priorities - inclusive pharmacology and clinical pharmacology), making the most of cross-Society channels such as publishing, digital platforms, meetings and education.

**Celebrating and connecting our community**

**Focusing on removing barriers to inclusion, building equity and accessibility into every entry, progression, and decision point within the Society.**

- Work to empower committees and teams to collaborate by removing barriers and monitoring progress across our activities.
- Build an engaged workforce motivated by having the best possible experience of work.
- Expand and connect each journal's EDI action plan to generate joint approach across the Society's publications, in line with latest industry best practice and with the needs of our community.
- Formally adopt Web Content Accessibility Guidelines (WCAG) 2.2 as a policy for our websites, email and other web-based channels - aiming for 'AA' compliance as much as possible. Use this guidance when developing new BPS website.
- Digital and branded content aligns with our EDI values, is supportive of the community and nurtures a compassionate environment.
- Develop the Society's membership offer to the "non-voting" pharmacology community.

**Harmonising our education, training and engagement projects in collaboration with our community, by aligning them to our thematic priorities and taking account of the needs of those within industry, academia and clinical settings.**

- Building on our member networking from 2022, further support our education, engagement and drug discovery communities (including Ambassadors) by providing regular communications and opportunities for shared learning throughout the year.

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- Develop an integrated learning pathways approach to education and training, delivering tangible outputs for learning pharmacology.

**Embracing digital opportunities so that we can extend our reach, grow membership, and expand our communities of engagement.**

- Launch new BPS website by end of November 2023.
- Develop the new CRM into the Society's "principal knowledge hub".

**Sharing stories that articulate the breadth and depth of pharmacology, to represent and inspire the next generation of pharmacologists.**

- Connect everyone who creates content for our channels, having oversight of production.
- Create editorial oversight frameworks for content output across the organisation.

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**Sustaining our Society**

**Developing and adapting our publishing portfolio, taking into account the research environment and community requirements, ensuring we provide a place to publish for all pharmacology researchers.**

- Support Journals Working Group to develop recommendations for Council by June and deliver on any activities agreed for 2023.

**Building BPS Assessment Ltd into the premier assessment and learning business for prescribing skills by growing national and global sales of our core products and services.**

- Grow sales by at least 25% from 2022 sales result.
- To build significant new income stream from platform licensing.
- To develop a strategic response to the outcome of the Dacre review.

**Adopting best practice environmental, social and governance policies and practices, and pursuing ethical income opportunities whilst developing clear targets to de-carbonise and reach Net Zero.**

- Conduct a sustainability audit using the GoingGreenTogether template.
- Develop a sustainability policy for the Society, initial focus on building and digital in relation to reduction of Carbon Footprint.
- ESG policies to inform outcomes of Operations and Resourcing Working Group - leading to a more efficient and sustainable operational infrastructure of the Society.

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**FINANCIAL REVIEW**

The Statement of Financial Activities on page 24 reports the financial performance of the Group (the Society and its trading subsidiaries, BPS Assessment Limited and BPS Trading Services Limited). The Balance Sheets on page 25 provide details of the Group's, and the Society's, financial position at the year end.

For the year ended 31 December 2022 the total funds of the Group have decreased by £883,018 (2021 - £664,610 increase). The overall decrease is made up of a decrease in unrestricted funds of £1,050,006 (2021 - £699,318 increase) and an increase in restricted funds of £166,988 (2021 - £34,708 decrease).

Net losses on investments totalling £576,479 (2021 - £359,468 gains) have contributed towards the overall movement in funds and are entirely attributable to unrestricted funds.

The resulting balance of total funds at 31 December 2022 amounted to £5,792,797 (2021 - £6,675,815) of which £5,307,978 (2021 - £6,357,984) is the unrestricted funds of the Society.

**Incoming resources**

Incoming resources for the year totalled £4,288,037 (2021 - £4,523,279) which is a decrease of 5.2%. Charitable activity income from journal publishing, which is the Society's main income source, has decreased by 11.8% to £3,423,510 (2021 - £3,879,981) although the fact this income has decreased is because of income in 2021 from the journal publishers on completion of a new agreement.

Member numbers decreased by 6.3% to 4,469 (2021 - 4,768) and membership subscription income decreased by 6.3% to £117,201 (2021 - £125,154). The decrease in numbers is primarily attributable to a decrease in the number of Undergraduate Student members.

Scientific meetings income increased by £46,859 to £123,020 (2021 - £76,161) as

the easing of COVID-19 restrictions meant that some additional meetings and events could be held after the cancellations and postponements in 2020 and 2021 due to the pandemic. Pharmacology 2022 was held as an in-person 2-day event, instead of a 3-days as had been the case for 2019 and prior.

Voluntary income totalled £233,000 (2021 - £35,000) and is mostly for educational activities. In 2022 the Society was delighted to receive a significant donation from the Dollery family enabling the Sir Colin Dollery Clinical Pharmacology Training Award to be established.

Investment income was £14,169 higher at £86,695 (2021 - £72,526) due to some market recovery in response to the easing of COVID-19 restrictions.

**Expenditure on charitable activities**

Expenditure on charitable activities totalled £4,570,492 (2021 - £4,194,316) which is a 9.0% increase of £376,176. The notable variations within this expenditure are highlighted here.

Journal publishing costs increased by £83,123 to £1,445,775 (2021 - £1,362,652); reflecting increased publisher costs and Society support costs associated with publishing.

Expenditure on educational activities at £1,758,364 was a 3.5% decrease of £63,932 over the previous year (2021 - £1,822,296) due to staffing vacancies for part of the year.

Projects and awards expenditure at £201,850 was a 8.0% increase of £14,958 over the previous year (2021 - £186,892).

Scientific meetings expenditure at £929,197 was a 46.1% increase of £293,128 over the previous year (2021 - £636,069) as the easing of COVID-19 restrictions meant that some additional meetings and events could be held after the cancellations and postponements in 2020 and 2021 due to the pandemic.

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**Capital expenditure**

Capital expenditure totalled £54,546 (2021 - £58,352) of which £51,302 (£42,952) was for the new contact relationship management (CRM) system which went live on 30 September 2022.

**Reserves policy and designated funds**

The balance on General Funds of £2,964,853 (2021 - £4,022,445) 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 £2,500,000 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 other potential adverse scenarios. The reserves reported at 31 December 2022 therefore represent 119% 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 to part-fund both current and future generations of beneficiaries.

Considering COVID-19 and after consultation with the International Union of Basic and Clinical Pharmacology (IUPHAR) it was decided in 2020 to move the World Congress of Pharmacology from 2022 to July 2023. The World Pharma 2023 fund exists to underwrite a potential net cost to the Society of £500,000 (2021 - £500,000) for hosting the Congress and thus guarantee the running of the event. Appropriate additional safeguards will be implemented to ensure the safety and financial stability of this global meeting.

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.

**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 £3,520,828 at 31 December 2022 (2021 £3,966,190). This represents a total return (net of fees) of -12.6%, compared to the Asset Risk Consultants (ARC) steady growth charity index of -9.6%.

In 2022 the world was buffeted by economic and geopolitical shocks, which created very challenging conditions for investment. At the beginning of the year, concern was rife about the new more transmissible variant of COVID-19 that was spreading around the world. As concern ebbed over the Omicron variant, fears rose over rising levels of inflation.

While most investors and policymakers went into 2022 expecting a return of inflation, few foresaw just how sharply and persistently prices would rise. The Federal Reserve, which sets US interest rates, expected to raise rates by less than 1% by the end of the year, but ended up hiking by more than 4% in what was, arguably, the most aggressive interest rate rising cycle on record.

Inflation was more persistent than expected, and therefore interest rates rose by more than expected. This meant bonds were worth less and the growth of company profits was generally outweighed by falling valuations in the equity market.

The most significant bright spot for investors was energy. Energy bounced back spectacularly from a difficult post-pandemic period, which at one time saw oil prices turn briefly negative, fuelled by a pick up in

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demand coinciding with OPEC cutting oil production and sanctions on Russian oil in response to the invasion of Ukraine.

As the year progressed, inflation remained stubborn driven by soaring demand and reduced supply of energy, goods and labour; while the period of ultra-low interest rates sent property prices flying. During the last few months of the year, there were signs of all of these forces easing.

In anticipation of slowing inflation, investors have begun to anticipate a peak in interest rates across the UK, US and Europe. Central banks have tried to temper these expectations, but if they come to pass, they will remove a major headwind for the stock market and have been reflected in equity and bond market rallies over the final quarter.

As a result of the turbulent year for negative news flow and the prevailing uncertain economic background, both equities and bonds fell sharply. Global equities dropped by 7.3%, led by the US which declined by 8.4%, however it was bonds that faced the full wrath of the market sell off. UK sovereign bond prices collapsed by the 23.8%, the worst decline for decades.

The investments are managed on behalf of the Society by an investment management company, RBC Brewin Dolphin (RBCBD), 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. RBCBD 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 September 2022 the Society approved a new investment policy recommended following an 18-month review by a working group of Finance Committee. The new policy integrates environmental, social and governance (ESG) considerations into investment processes and ownership practices. The Society would expect the overall ESG risk and "controversy" ratings to fall over time and will indicate and agree their expectations in advance and direct investment in the "severe" ESG risk category is also prohibited. In addition, to

maintain an impartial position, RBCBD 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 enable the Society to regularly review both the performance of RBCBD 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 work with the investment manager to ensure the investments provide long-term growth ahead of inflation, income and liquidity.

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## BRITISH PHARMACOLOGICAL SOCIETY

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative details of the charity, its trustees and advisers are shown on page 17 of the financial statements.

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, the current version of which took effect from 1 January 2015.

#### The Trustees

The Trustees of the charity for the year under review are below, with details of their attendance at the four Council meetings held in 2022 (2021 – four meetings).

<b>Elected Officer Trustees</b>		
President	C Page	3/4
President Elect	M Caulfield	4/4
Honorary Treasurer	C Williams (until 31 December 2022)	4/4
<b>Elected Trustees</b>		
	A Alfirevic	4/4
	J Coleman	3/4
	S Rees	3/4
	M Wallace (until 31 December 2022)	4/4
	S Watson	4/4
<b>Appointed Trustees</b>		
	E Briffa	4/4
	L Cumberbatch	4/4
	R M Quinn	4/4
	A Zorn	4/4

Trustees' main legal responsibilities are as follows:

- Ensure the charity is carrying out its purposes for the public benefit
- Act in the charity's best interests
- Comply with the charity's governing document and the law
- Manage the charity's resources responsibly
- Act with reasonable care and skill
- Ensure the charity is accountable to the Charity Commission for meeting its objectives as a registered charity.

The Trustees are also the company Directors of the British Pharmacological Society. The

Companies Act imposes similar legal duties on company Directors.

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 represents industry, one represents clinical pharmacology, and one is an Early Career Pharmacologist) are either elected by the Voting Members or appointed by Council.

Council appoints Appointed Trustees based on their skills, knowledge and experience, choosing them to support the Society in delivering its charitable purposes. The maximum number of appointed Trustees is one third of the total number of Trustees, and so cannot exceed four.

Trustees are elected to serve for periods of between three and four years, depending on office. Elections to 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 ordinarily to a maximum of two terms of up to three years each, after which any person so appointed may 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 three years has elapsed after expiry of their term of office.

Member participation in the Society's charitable mission is crucial to shape the future direction of the Society's activities. This is why most members are Voting Members who can self-nominate for elected roles.

Role descriptions have been produced for Trustees which are regularly reviewed to ensure they reflect the Society's strategic aims. The role descriptions specify the knowledge, skills and attributes required. A skills survey of Trustees is undertaken regularly which helps determine their training requirements and Trustees attend training annually.

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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

- The Charity Commission's Governance Code for Trustees sets out the hallmarks of an effective charity, which includes seven principles that are 'built on the assumption that a charity is meeting its legal and regulatory responsibilities as a foundation';
- 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"*.

#### **Committees and Management Group**

Council has ultimate responsibility for all aspects of the Society's activities, with the exception of those matters which must be decided by a general meeting of the members. The Council focuses on strategy and delegates all but key strategic and financial decisions to five core Committees, each chaired by a Vice President or Officer, who have significant autonomy and control over their budgets.

The core Committees report back to Council. These reports cover risk management. Members of these Committees comprise both Trustees and/or elected Vice-Presidents, together with other Members and some non-members. Financial management is delegated to the Finance Committee, chaired by the Honorary Treasurer. The journals are managed by the Society's Publications Team, which refers as appropriate to the President Elect, Council and Management Group, and in turn delegates responsibility to the journals' Management and Editorial Boards.

Council has delegated responsibility for the general management of the Society's

activities to a small Management Group, chaired by the President, to oversee the day-to-day operations of the Society. The other members of the Group are the President Elect, Honorary Treasurer and Chief Executive. The Trustees employ a Chief Executive, who is responsible for executing the decisions of Council and for the day-to-day management of the Society's resources. The Chief Executive reports back to Council and Management Group on performance against the objectives of the Society.

At 31 December 2022 the Society had 26 full time equivalent staff, and used specialist consultants as required.

#### **Member contribution**

The Society benefits significantly from voluntary work by its Members in the organisation of meetings, editing and reviewing manuscripts, service on Committees and panels, and many other activities. The Trustees thank these Members for all this hard work, given in Members' free time. The Society could not function successfully without Members' support.

The Society, Council and Members participate actively in the wider bioscience community, both in the UK and internationally. This includes collaborative funding of research and education initiatives, and the hosting of scientific meetings. Details of these activities are included in the section on Objectives and Achievements, listed 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 by the Society, competitive in the market, 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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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living and non-recurring performance-related elements, and that these elements should relate both to the performance of the Society and the state of its finances.

Council retains overall responsibility for remuneration and employment benefits, and has delegated the operation of such matters to Management Group and Finance Committee (overall affordability).

When considering recommendations for performance awards and any changes to salary, Management Group are provided with individuals' performance compared with set objectives and targets, and benchmarking information. External data on general inflation and wage inflation is considered when considering any cost of living award.

**Risk assessment**

The Council has a Risk Policy and a Risk Register, which provide the framework and controls for the management of risks. The Risk Register is reviewed on a continuing basis by the Finance Committee, who then report to Trustees. Risk management is an integral part of the Society's business processes.

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 existing and potential business development activities do not result in significant alternative, sustainable sources of net revenue.

An emerging risk considered during 2022 was the current economic climate of significant price inflation adversely impacting the cost of living; this is not assessed as having a substantial effect on the Society's income and its effect on the cost-base has been incorporated into plans and mitigating actions.

**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 fundraise in any way 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;

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**BRITISH PHARMACOLOGICAL SOCIETY**

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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- 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.

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 03 May 2023 and signed on their behalf by:



**C Page**  
President

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**BRITISH PHARMACOLOGICAL SOCIETY**

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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**Trustees**

A Alfirevic  
E Briffa  
M Caulfield  
J Coleman  
L Cumberbatch  
A Hobbs from 1 January 2023  
S Kennedy from 1 January 2023  
C Page  
R M Quinn  
S Rees  
L Wallace until 31 December 2022  
S Watson  
C Williams until 31 December 2022  
A Zorn

**Key management personnel**

R Lambert-Forsyth Chief Executive  
K Banham Director, Research  
Dissemination  
D James Executive Director,  
Business Development  
M Poole Finance & Commercial  
Director  
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

**Independent auditors**

Moore Kingston Smith LLP, Chartered  
Accountants & Statutory Auditor  
6th Floor, 9 Appold Street, London, EC2A 2AP

**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**

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**Opinion**

We have audited the financial statements of British Pharmacological Society for the year ended 31 December 2021 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).

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 2021 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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**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 contained within the annual report. 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.

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 course of 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 themselves. 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.

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

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**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:

- 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, 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:

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

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- 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.
- 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.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

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

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Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Use of our report**

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, 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.

*Moore Kingston Smith LLP*

.....  
**Neil Finlayson (Senior Statutory Auditor)**

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 3 May 2023.....

Devonshire House,  
6th Floor, 9 Appold Street,  
EC2A 2AP

Moore 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 2022

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and legacies	2	233,000	-	233,000	35,000	-	35,000
Investments	3	-	86,695	86,695	-	72,526	72,526
Charitable activities	4	68,936	3,893,606	3,962,542	69,886	4,339,700	4,409,586
Other	5	-	5,800	5,800	-	6,167	6,167
<b>TOTAL INCOME</b>		<b>301,936</b>	<b>3,986,101</b>	<b>4,288,037</b>	<b>104,886</b>	<b>4,418,393</b>	<b>4,523,279</b>
<b>EXPENDITURE ON:</b>							
Raising funds	6	-	24,084	24,084	-	23,821	23,821
Charitable activities	7	159,948	4,410,544	4,570,492	158,000	4,036,316	4,194,316
<b>TOTAL EXPENDITURE</b>		<b>159,948</b>	<b>4,434,628</b>	<b>4,594,576</b>	<b>158,000</b>	<b>4,060,137</b>	<b>4,218,137</b>
Net (losses) / gains on investments		-	(576,479)	(576,479)	-	359,468	359,468
<b>NET INCOME / (EXPENDITURE)</b>		<b>141,988</b>	<b>(1,025,006)</b>	<b>(883,018)</b>	<b>(53,114)</b>	<b>717,724</b>	<b>664,610</b>
Transfers between Funds	21	25,000	(25,000)	-	18,406	(18,406)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>166,988</b>	<b>(1,050,006)</b>	<b>(883,018)</b>	<b>(34,708)</b>	<b>699,318</b>	<b>664,610</b>
Total funds brought forward		317,830	6,357,985	6,675,815	352,538	5,658,667	6,011,205
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>21</b>	<b>484,818</b>	<b>5,307,978</b>	<b>5,792,797</b>	<b>317,830</b>	<b>6,357,985</b>	<b>6,675,815</b>

All activities relate to continuing operations.

The net expenditure of the parent Society itself amounted to £1,585,543 (2021 net income - £635,428).

The notes on pages 27 to 43 form part of these financial statements.

**BRITISH PHARMACOLOGICAL SOCIETY**  
**REGISTERED NUMBER: 2877400**

**BALANCE SHEETS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Group 2022	Group 2021	Charity 2022	Charity 2021
Note	£	£	£	£
<b>FIXED ASSETS</b>				
Intangible assets	13	129,584	116,036	116,036
Tangible assets	14	713,542	719,504	719,504
Investment in subsidiaries	15	-	-	2
Investments	16	3,520,828	3,966,190	3,966,190
		<b>4,363,954</b>	<b>4,801,730</b>	<b>4,801,732</b>
<b>CURRENT ASSETS</b>				
Debtors	17	1,484,097	1,819,140	1,830,134
Cash at bank and in hand		<b>1,247,621</b>	960,432	741,245
		<b>2,731,718</b>	<b>2,779,572</b>	<b>2,571,379</b>
<b>CREDITORS: amounts falling due within one year</b>	18	<b>(1,252,574)</b>	(837,182)	(670,263)
		<b>1,479,145</b>	1,942,390	1,901,116
<b>NET CURRENT ASSETS</b>		<b>1,479,145</b>	1,942,390	1,901,116
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,843,099</b>	6,744,120	6,702,848
<b>CREDITORS: amounts falling due after more than one year</b>	19	<b>(50,302)</b>	(68,305)	(60,230)
<b>NET ASSETS</b>		<b>5,792,797</b>	6,675,815	6,642,618
<b>CHARITY FUNDS</b>				
<b>Restricted funds</b>	21	<b>484,818</b>	317,830	317,830
<b>Unrestricted funds</b>				
Unrestricted designated funds	21	2,343,126	2,335,540	2,335,540
Unrestricted general fund	21	2,964,853	4,022,445	3,989,248
		<b>5,307,979</b>	6,357,985	6,324,788
<b>TOTAL FUNDS</b>		<b>5,792,797</b>	6,675,815	6,642,618

The financial statements were approved by the Trustees on 03 May 2023 and signed on their behalf by:



**S Kennedy**

**Honorary Treasurer**

The notes on pages 27 to 43 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 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net movement in funds	<b>(883,018)</b>	664,610
Adjustments for:		
Depreciation of intangible fixed assets	<b>37,754</b>	69,582
Depreciation of tangible fixed assets	<b>9,206</b>	8,621
Loss on disposal of intangible fixed assets	-	-
Loss on disposal of tangible fixed assets	-	-
Losses / (Gains) on investments	<b>576,479</b>	(359,468)
Dividends and interest received	<b>(86,695)</b>	(72,526)
Decrease / (increase) in debtors	<b>335,043</b>	(173,053)
(Decrease) / increase in creditors	<b>397,388</b>	(450,153)
<b>NET CASH (USED IN) / GENERATED BY OPERATING ACTIVITIES</b>	<b><u>386,157</u></b>	<b><u>(312,387)</u></b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to intangible fixed assets	<b>(51,302)</b>	(58,352)
Purchase of tangible fixed assets	<b>(3,244)</b>	-
Purchase of investments	<b>(1,250,798)</b>	(1,148,401)
Proceeds from sale of investments	<b>1,119,681</b>	1,118,710
Dividends and Interest received	<b>86,695</b>	72,526
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b><u>(98,968)</u></b>	<b><u>(15,517)</u></b>
 <b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		
	<b>287,189</b>	(327,904)
Cash and cash equivalents at beginning of year	<b>960,432</b>	1,288,336
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>1,247,621</u></b>	<b><u>960,432</u></b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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## 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 2020. 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. BPS Assessment Limited commenced trading in 2017 and BPS Trading Services commenced trading in 2022 which is why the Society has produced consolidated financial statements.

All financial statements are made up to 31 December 2022. 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 and BPS Trading Services 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. This has included due consideration to the effects of the coronavirus pandemic and the measures taken both in the UK and overseas to contain it, including the introduction of temporary lockdowns imposed in England in 2020 and 2021. 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 publishing income. The trustees have entered into a new publishing contract for the Society's principal two journals for 2023 onwards and are satisfied that the assumptions regarding future publishing income are reasonable. 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.

### 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 2022

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**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:

	2022	2021
Member services	10%	8%
Journal publishing costs	14%	13%
Educational activities	54%	57%
Projects and awards	3%	2%
Scientific meetings	19%	20%

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 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. 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: 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 2022

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**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 22. 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 at 31 March 2020 was £3,612 million representing 94% of the liabilities. The market value of SAUL's assets at 30 April 2021 was £4,369 million representing 109% of the estimated liabilities.

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.

Although there was a Technical Provisions surplus at 31 March 2020, allowing for post valuation experience to 30 April 2021 SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the Society.

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

**BRITISH PHARMACOLOGICAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. DONATIONS AND LEGACIES**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Donations and grants	<b>233,000</b>	-	<b>233,000</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations and grants	35,000	-	35,000

**3. INCOME FROM INVESTMENTS**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Income from UK listed investments	-	68,076	68,076
Income from non-UK listed investments	-	18,573	18,573
Bank interest receivable	-	46	46
	<b>-</b>	<b>86,695</b>	<b>86,695</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Income from UK listed investments	-	59,103	59,103
Income from non-UK listed investments	-	13,411	13,411
Bank interest receivable	-	12	12
	<b>-</b>	<b>72,526</b>	<b>72,526</b>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Membership subscriptions	-	117,201	117,201
Journal publishing income	-	3,423,510	3,423,510
Educational activities	68,936	229,875	298,811
Scientific meetings	-	123,020	123,020
	<b>68,936</b>	<b>3,893,606</b>	<b>3,962,542</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Membership subscriptions	-	125,154	125,154
Journal publishing income	-	3,879,981	3,879,981
Educational activities	69,886	258,404	328,290
Scientific meetings	-	76,161	76,161
	<b>69,886</b>	<b>4,339,700</b>	<b>4,409,586</b>

**BRITISH PHARMACOLOGICAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. OTHER INCOME**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Other income	-	<b>5,800</b>	<b>5,800</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Other income	-	6,167	6,167

**6. INVESTMENT MANAGEMENT COSTS**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Investment management fees	-	<b>24,084</b>	<b>24,084</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Investment management fees	-	23,821	23,821

**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Activities undertaken directly 2022 £</b>	<b>Grant funding of activities (Notes 8 &amp; 9) 2022 £</b>	<b>Support costs (see below) 2022 £</b>	<b>Total 2022 £</b>
Members services	116,578	1,208	117,520	<b>235,306</b>
Journal publishing costs	1,273,034	-	172,741	<b>1,445,775</b>
Educational activities	1,048,857	58,656	650,851	<b>1,758,364</b>
Projects and awards	93,579	74,500	33,771	<b>201,850</b>
Scientific meetings	693,573	5,000	230,624	<b>929,197</b>
	<b><u>3,225,621</u></b>	<b><u>139,364</u></b>	<b><u>1,205,507</u></b>	<b><u>4,570,492</u></b>

**Analysis of Support Costs**

	<b>Basis of Allocation</b>	<b>Total 2022 £</b>
Finance	Total staff costs	83,371
IT	Total staff costs	183,241
Staff costs	Total staff costs	615,124
Policy & Public Engagement	Total staff costs	94,983
Governance	Total staff costs	70,981
Executive	Total staff costs	7,338
HR	Total staff costs	99,436
Premises	Total staff costs	51,034
		<b><u>1,205,508</u></b>

**BRITISH PHARMACOLOGICAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)**

	Activities undertaken directly 2021 £	Grant funding of activities (Notes 8 & 9) 2021 £	Support costs (see below) 2021 £	Total 2021 £
Members services	100,886	250	85,270	186,406
Journal publishing costs	1,223,973	-	138,679	1,362,652
Educational activities	1,152,692	48,872	620,732	1,822,296
Projects and awards	84,418	79,890	22,584	186,892
Scientific meetings	439,379	6,128	190,562	636,069
	<u>3,001,348</u>	<u>135,140</u>	<u>1,057,827</u>	<u>4,194,315</u>

**Analysis of Support Costs**

	Basis of Allocation	Total 2021 £
Finance	Total staff costs	51,195
IT	Total staff costs	159,832
Staff costs	Total staff costs	614,207
Policy & Public Engagement	Total staff costs	82,493
Governance	Total staff costs	73,302
Executive	Total staff costs	3,672
HR	Total staff costs	32,561
Premises	Total staff costs	40,565
		<u>1,057,827</u>

**8. GRANTS TO INDIVIDUALS**

	Number 2022	Total 2022 £	Number 2021	Total 2021 £
A J Clark Studentships	1	49,393	1	47,122
Bursaries	35	9,500	-	(110)
Young Pharmacologists	-	-	-	-
Ambassadors Scheme	5	1,208	1	250
	<u>41</u>	<u>60,101</u>	<u>1</u>	<u>47,262</u>

Bursaries in 2022 consist of 41 grants between £40 - £750. 2021 2021 bursaries consist of a reversal of a bursary of £110 that was recorded in 2020 and subsequently unclaimed.

**9. GRANTS TO INSTITUTIONS**

	Total funds 2022 £	Total funds 2021 £
Educational & outreach activities	9,263	1,750
Projects and awards (Guide to Pharmacology)	65,000	80,000
Scientific meetings	5,000	6,128
	<u>79,263</u>	<u>87,878</u>

**BRITISH PHARMACOLOGICAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. GEOGRAPHICAL MARKETS**

90% of the Charity's journal publishing income (2021 - 95%) and 78% (2021 - 56%) of the turnover of BPS Assessment Limited (see Note 15) 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:

	2022	2021
	£	£
Depreciation of intangible fixed assets	37,754	69,582
Depreciation of tangible fixed assets owned by the charity	9,206	8,621
Auditors' remuneration		
Audit - Charity - current year	15,595	12,995
Other - Subsidiary - Review and Financial advice	4,370	1,975

During the year, no Trustees received any remuneration (2021 - £Nil).

During the year, 7 (2021 - 5) Trustees' travel and subsistence and other general expenses totalled £9,406 (2021 - £1,344).

**12. STAFF COSTS**

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	1,359,717	1,398,501
Social security costs	157,949	152,696
Pension costs	187,846	170,289
	<u>1,705,512</u>	<u>1,721,486</u>

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

	2022	2021
	No.	No.
Total headcount	23	25
Full time equivalent basis	<u>23</u>	<u>25</u>

The number of higher paid employees was:

	2022	2021
	No.	No.
In the band £60,001 - £70,000	-	-
In the band £70,001 - £80,000	-	2
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
	<u>5</u>	<u>7</u>

Pension contributions in respect of higher paid employees amounted to £85,664 (2021: £82,697).

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 5 staff (2021: 5 staff). The total employee benefits of the charity's key management personnel amounted to £648,333 (2021: £616,807)

The Society accounts for its participation in SAUL as if it were a defined contribution pension scheme (see note 1.14).

Contributions of £187,846 (2021: £110,859) were payable in the year with payments of £16,130 (2021: £14,057) outstanding at the year end

Contributions into the separate defined contribution pension scheme of £45,447 (2021: £46,373) were payable in the year, with payments of £Nil (2021: £Nil) outstanding at the end of the year.

**BRITISH PHARMACOLOGICAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. INTANGIBLE FIXED ASSETS**

**Group & Charity**

Intangible fixed assets comprise computer software and website.

	<b>Total</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2022	736,132
Additions	51,302
At 31 December 2022	<u><b>787,434</b></u>
<b>Amortisation</b>	
At 1 January 2022	620,096
Charge for the year	37,754
At 31 December 2022	<u><b>657,850</b></u>
<b>Net book value</b>	
At 31 December 2022	<u><u><b>129,584</b></u></u>
At 31 December 2021	<u><u>116,036</u></u>

**14. TANGIBLE FIXED ASSETS**

**Group & Charity**

	Long leasehold property £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost or Valuation</b>				
At 1 January 2022	710,000	111,927	48,873	<b>870,800</b>
Additions	-	-	3,244	<b>3,244</b>
At 31 December 2022	<u><b>710,000</b></u>	<u><b>111,927</b></u>	<u><b>52,117</b></u>	<u><b>874,044</b></u>
<b>Depreciation</b>				
At 1 January 2022	-	102,423	48,873	<b>151,296</b>
Charge for the year	-	8,305	901	<b>9,206</b>
At 31 December 2022	<u>-</u>	<u><b>110,728</b></u>	<u><b>49,774</b></u>	<u><b>160,502</b></u>
<b>Net book value</b>				
At 31 December 2022	<u><u><b>710,000</b></u></u>	<u><u><b>1,199</b></u></u>	<u><u><b>2,343</b></u></u>	<u><u><b>713,542</b></u></u>
At 31 December 2021	<u><u>710,000</u></u>	<u><u>9,504</u></u>	<u><u>-</u></u>	<u><u>719,504</u></u>

**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.

**BRITISH PHARMACOLOGICAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**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:

	2022	2021
	£	£
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 (incorporated 27 January 2016)	<u>1</u>	<u>1</u>
	<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:

	2022	2021
	£	£
Turnover	218,210	237,397
Expenditure	213,529	204,200
Profit	<u>4,681</u>	<u>33,197</u>

BPS Trading Services (company number 09973456; registered office 16 Angel Gate, City Road, London, EC1V 2PT) commenced trading on 1 January 2022 and its turnover, expenditure and profit are summarised as follows:

	2022
	£
Turnover	41,900
Expenditure	40,465
Profit	<u>1,435</u>

**16. FIXED ASSET INVESTMENTS**

**Group & Charity**

	Listed securities	Listed securities
	2022	2021
	£	£
<b>Market value</b>		
At 1 January	3,966,190	3,577,031
Additions	1,250,798	1,148,401
Disposals (realised gain of £134,256; 2018 £5,799)	(1,316,994)	(1,000,596)
Revaluations	(379,166)	241,354
At 31 December	<u>3,520,828</u>	<u>3,966,190</u>
<b>Historical cost</b>	<u>3,473,674</u>	<u>3,382,367</u>

**Investments at market value comprise:**

	UK	Overseas	2022
	£	£	£
Listed investments	<u>1,013,008</u>	<u>2,507,820</u>	<u>3,520,828</u>
	UK	Overseas	2021
	£	£	£
Listed investments	<u>1,291,374</u>	<u>2,674,816</u>	<u>3,966,190</u>

The above investments are all in relation to unrestricted funds.

**BRITISH PHARMACOLOGICAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**17. DEBTORS**

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
<b>Amounts falling due within one year</b>				
Trade debtors	411,391	134,126	299,054	147,977
Amount due from subsidiary	-	-	-	-
Other debtors	34,453	3,913	2,908	1,056
Prepayments and accrued income	1,038,253	1,681,101	1,038,253	1,681,101
	<u>1,484,097</u>	<u>1,819,140</u>	<u>1,340,215</u>	<u>1,830,134</u>
<b>Amounts due after more than one year</b>				
Prepayments and accrued income	-	21,605	-	21,605
	<u>-</u>	<u>21,605</u>	<u>-</u>	<u>21,605</u>
<b>Total Debtors</b>	<u><u>1,484,097</u></u>	<u><u>1,840,745</u></u>	<u><u>1,340,215</u></u>	<u><u>1,851,739</u></u>

Other debtors mainly represents journal publishing income due but unpaid at the year end.

**18. CREDITORS**

**Amounts falling due within one year**

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Trade creditors	324,731	157,577	233,645	115,031
Other taxation and social security	167,571	182,938	136,027	182,938
Other creditors	160,215	224,222	159,363	223,370
Accruals and deferred income	600,057	272,445	118,660	148,924
	<u>1,252,574</u>	<u>837,182</u>	<u>647,695</u>	<u>670,263</u>

Included within other taxation and social security is an amount of £16,130 (2021 - £14,058) in respect of pension liabilities. Included within other creditors is an amount of £50,301 (2021 - £60,230) in respect of A J Clark studentship commitments, and £65,000 (2021 - £120,000) related to the Guide to Pharmacology grant.

**Deferred income (Group & Charity)**

The movement of deferred income, included within accruals and deferred income above is as follows:

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
At 1 January	126,013	171,897	14,004	19,184
Movement during the year	363,607	- 45,884	44,916	- 5,180
At 31 December	<u>489,620</u>	<u>126,013</u>	<u>58,920</u>	<u>14,004</u>

Included within the group is £278,393 relating to BPS Trading Services (2021 - NA) and £152,307 relating to BPS Assessment Limited (2021 - £112,009).

**19. CREDITORS**

**Amounts falling due after more than one year**

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Grant awards - A J Clark studentships	50,302	60,230	50,302	60,230
Accruals and Deferred Income	-	8,075	-	-
	<u>50,302</u>	<u>68,305</u>	<u>50,302</u>	<u>60,230</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**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 a Career Average Revalued Earnings ("CARE") basis.

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 2020. 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 by the Trustees and employers in June 2021 and will be reviewed again at SAUL's next formal valuation in 2023.

At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, market improvements following the valuation date were positive and the Trustee and the Employers agreed to allow for post-valuation experience up to 30 April 2021. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers' contributions will increase from a rate of 16% of CARE Salaries to 19% of CARE Salaries from 1 April 2022 and to 21% of CARE Salaries from 1 January 2023.

**BRITISH PHARMACOLOGICAL SOCIETY**  
REGISTERED NUMBER: 2877400

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**21. STATEMENT OF FUNDS**

**SUMMARY OF FUNDS**

**Group**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
Designated funds	2,335,540	-	(95,192)	102,778	-	<b>2,343,126</b>
General funds	4,022,445	3,986,101	(4,339,435)	(127,778)	(576,479)	<b>2,964,853</b>
Total unrestricted funds	<b>6,357,985</b>	<b>3,986,101</b>	<b>(4,434,627)</b>	<b>(25,000)</b>	<b>(576,479)</b>	<b>5,307,979</b>
Restricted funds	317,830	301,936	(159,948)	25,000	-	<b>484,818</b>
<b>Total funds</b>	<b>6,675,815</b>	<b>4,288,037</b>	<b>(4,594,575)</b>	<b>-</b>	<b>(576,479)</b>	<b>5,792,797</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
Designated funds	2,355,391	-	(118,353)	98,502	-	2,335,540
General funds	3,303,276	4,418,393	(3,941,784)	(116,908)	359,468	4,022,445
Total unrestricted funds	5,658,667	4,418,393	(4,060,137)	(18,406)	359,468	6,357,985
Restricted funds	352,538	104,886	(158,000)	18,406	-	317,830
Total funds	<b>6,011,205</b>	<b>4,523,279</b>	<b>(4,218,137)</b>	<b>-</b>	<b>359,468</b>	<b>6,675,815</b>

**Charity**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
Designated funds	2,335,540	-	(95,192)	102,778	-	<b>2,343,126</b>
General funds	3,989,248	3,834,187	(4,160,442)	(127,778)	(576,479)	<b>2,958,736</b>
Total unrestricted funds	<b>6,324,788</b>	<b>3,834,187</b>	<b>(4,255,634)</b>	<b>(25,000)</b>	<b>(576,479)</b>	<b>5,301,862</b>
Restricted funds	317,830	301,936	(159,948)	25,000	-	<b>484,818</b>
<b>Total funds</b>	<b>6,642,618</b>	<b>4,136,123</b>	<b>(4,415,582)</b>	<b>-</b>	<b>(576,479)</b>	<b>5,786,680</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
Designated funds	2,355,391	-	(118,353)	98,502	-	2,335,540
General funds	3,299,261	4,260,012	(3,812,585)	(116,908)	359,468	3,989,248
Total unrestricted funds	5,654,652	4,260,012	(3,930,938)	(18,406)	359,468	6,324,788
Restricted funds	352,538	104,886	(158,000)	18,406	-	317,830
Total funds	<b>6,007,190</b>	<b>4,364,898</b>	<b>(4,088,938)</b>	<b>-</b>	<b>359,468</b>	<b>6,642,618</b>

The unrestricted general fund gains/(losses) comprises net loss on investments of £576,476 (2021 net loss of £359,468).

**BRITISH PHARMACOLOGICAL SOCIETY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. STATEMENT OF FUNDS (CONTINUED)**

**UNRESTRICTED DESIGNATED FUNDS**

**Group & Charity**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
World Pharma 2023	500,000	-	-	-	-	500,000
Prizes and awards	1,000,000	-	(48,232)	48,232	-	1,000,000
Fixed Asset	835,540	-	(46,960)	54,546	-	843,126
<b>Total Unrestricted Designated funds</b>	<b>2,335,540</b>	<b>-</b>	<b>(95,192)</b>	<b>102,778</b>	<b>-</b>	<b>2,343,126</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
World Pharma 2023	500,000	-	-	-	-	500,000
Prizes and awards	1,000,000	-	(40,150)	40,150	-	1,000,000
Fixed Asset	855,391	-	(78,203)	58,352	-	835,540
<b>Total Unrestricted Designated funds</b>	<b>2,355,391</b>	<b>-</b>	<b>(118,353)</b>	<b>98,502</b>	<b>-</b>	<b>2,335,540</b>

**UNRESTRICTED GENERAL FUNDS**

**Group**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
<b>Total Unrestricted General funds</b>	<b>4,022,445</b>	<b>3,986,101</b>	<b>(4,339,436)</b>	<b>(127,778)</b>	<b>(576,479)</b>	<b>2,964,852</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
<b>Total Unrestricted General funds</b>	<b>3,303,276</b>	<b>4,418,393</b>	<b>(3,941,784)</b>	<b>(116,908)</b>	<b>359,468</b>	<b>4,022,445</b>

**Charity**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
<b>Total Unrestricted General funds</b>	<b>3,989,248</b>	<b>3,834,187</b>	<b>(4,160,442)</b>	<b>(127,778)</b>	<b>(576,479)</b>	<b>2,958,736</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
<b>Total Unrestricted General funds</b>	<b>3,299,261</b>	<b>4,260,012</b>	<b>(3,812,585)</b>	<b>(116,908)</b>	<b>359,468</b>	<b>3,989,248</b>

**BRITISH PHARMACOLOGICAL SOCIETY**  
REGISTERED NUMBER: 2877400

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**21. STATEMENT OF FUNDS (CONTINUED)**

**RESTRICTED FUNDS**

Group & Charity	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in/(out) 2022 £	Carried forward 2022 £
Schachter Fund	2,088	-	(2,088)	-	-
Gary Price Fund	7,635	-	-	-	7,635
Paton Fund	3,390	-	-	-	3,390
Sir Colin Dollery Clinical Pharmacology Training Award Fund	-	200,000	(12,000)	-	188,000
BPS Equality, Diversity and Inclusion Prize, sponsored by AstraZeneca	2,000	-	-	-	2,000
E-Learning for Healthcare "Prescribe" Initiative Fund	113,923	-	-	-	113,923
Prescribing Safety Assessment	164,601	101,936	(130,610)	25,000	160,927
Integrative Pharmacology Fund	-	-	-	-	-
Research Animal Sciences Education Ambassador Scheme	-	-	-	-	-
MRC Short Course in Translational Pharmacology Fund	18,612	-	(14,000)	-	4,612
Other prizes and awards	5,581	-	(1,250)	-	4,331
<b>Total Restricted funds</b>	<b><u>317,830</u></b>	<b><u>301,936</u></b>	<b><u>(159,948)</u></b>	<b><u>25,000</u></b>	<b><u>484,818</u></b>

	2021 £	2021 £	2021 £	2021 £	2021 £
Schachter Fund	2,588	-	(500)	-	2,088
Gary Price Fund	7,635	-	-	-	7,635
Paton Fund	3,390	-	-	-	3,390
Sir Colin Dollery Clinical Pharmacology Training Award Fund	-	-	-	-	-
BPS Equality, Diversity and Inclusion Prize, sponsored by AstraZeneca	3,000	-	(1,000)	-	2,000
E-Learning for Healthcare "Prescribe" Initiative Fund	113,923	-	-	-	113,923
Prescribing Safety Assessment	162,515	102,886	(125,800)	25,000	164,601
Integrative Pharmacology Fund	1,068	-	(1,068)	-	-
Research Animal Sciences Education Ambassador Scheme	29,394	-	(22,800)	(6,594)	-
MRC Short Course in Translational Pharmacology Fund	23,444	-	(4,832)	-	18,612
Other prizes and awards	5,581	2,000	(2,000)	-	5,581
<b>Total Restricted funds</b>	<b><u>352,538</u></b>	<b><u>104,886</u></b>	<b><u>(158,000)</u></b>	<b><u>18,406</u></b>	<b><u>317,830</u></b>

**FUND TRANSFERS**

The unrestricted general fund has been used to restore the prizes and awards designated fund back to £1m with a transfer of £48,232 (2021 £40,150). Additions to fixed assets totalling £54,546 have been funded by the unrestricted general fund (2021 £58,352). The unrestricted general fund also supports the Prescribing Safety Assessment with a transfer of £25,000 (2021 £25,000).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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21. STATEMENT OF FUNDS (CONTINUED)

**DESIGNATED FUNDS**

**World Pharma 2023**

The Society will be hosting the 2023 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.

**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.

**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**

**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.

**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.

**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.

**Sir Colin Dollery Clinical Pharmacology Training Award Fund**

This award provides a bursary to medical students undertaking an intercalated BSc in Pharmacology. The primary aim is to support the discipline of Clinical Pharmacology, which can be achieved by encouraging students to pursue Clinical Pharmacology as a specialty or by increasing basic pharmacology skills for students pursuing a career path within Industry.

**BPS Equality, Diversity and Inclusion Prize, sponsored by AstraZeneca**

The Society is committed to championing Equality, Diversity and Inclusion (EDI). This fund was established in 2020 to encourage our community to join us in this drive and to recognise efforts being made by members to create an equal, diverse and inclusive environment, within the candidate's institute, other organisations, or across institutes or organisations.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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21. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS (CONTINUED)

**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.

**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.

**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.

**Research Animal Sciences Education Ambassador Scheme**

This fund which was established by both the British Pharmacology Society and The Physiological Society, supports consistency in undergraduate education related to the 'core' and 'experiential' learning outcomes established by the curriculum for the use of research animals.

**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.

**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.

**BRITISH PHARMACOLOGICAL SOCIETY**  
**REGISTERED NUMBER: 2877400**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**22. RELATED PARTY TRANSACTIONS**

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

One trustee of the British Pharmacological Society (C Williams) is also a director of ELRIG UK Limited with which the Society had a strategic alliance. During 2022 the Society generated income of £6,736 (2021: £8,924). The trustee declared their conflict of interest in all relevant meetings and did not formally vote in any Society Council decisions concerning the alliance.

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**Group**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Intangible fixed assets	-	129,584	<b>129,584</b>
Tangible fixed assets	-	713,542	<b>713,542</b>
Investment in subsidiary	-	-	-
Fixed asset investments	-	3,520,828	<b>3,520,828</b>
Current assets	484,818	2,246,900	<b>2,731,718</b>
Creditors due within one year	-	(1,252,574)	<b>(1,252,574)</b>
Creditors due in more than one year	-	(50,302)	<b>(50,302)</b>
	<u><b>484,818</b></u>	<u><b>5,307,979</b></u>	<u><b>5,792,797</b></u>
	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Intangible fixed assets	-	116,036	116,036
Tangible fixed assets	-	719,504	719,504
Investment in subsidiary	-	-	-
Fixed asset investments	-	3,966,190	3,966,190
Current assets	317,830	2,461,742	2,779,572
Creditors due within one year	-	(837,182)	(837,182)
Creditors due in more than one year	-	(68,305)	(68,305)
	<u><b>317,830</b></u>	<u><b>6,357,985</b></u>	<u><b>6,675,815</b></u>



**TRUSTEES REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Registered number: 2877400  
Charity number: 1030623**



**TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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## **OBJECTIVES, STRATEGY 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 at the forefront of our fight to help ensure everyone can live healthy lives for longer. We use the term pharmacology to encompass all areas of the science of drugs and medicine and we recognise that pharmacologists work across multi-disciplinary boundaries. Pharmacology makes a unique contribution to research to develop new drugs, and to improving the use of existing drugs for better patient outcomes.

The British Pharmacological Society's purpose is to promote and advance all disciplines of pharmacology in the discovery, development and use of medicines.

The annual objectives are designed to support the Society in the delivery of this purpose, and in turn, they bring advances in science, medicine and healthcare with the following public benefits:

- Supporting the research and application of pharmacology by providing opportunities for pharmacologists to present and publish their research to their peers, fostering collaboration and building connections globally in drug discovery and development.
- Improving clinical practice for the benefit of patients through the assessment and training of healthcare professionals and medical students.
- Informing public policy on medicines, dosage and therapeutics.
- Educating the general public and school students with a range of engagement activities.

The Society supports its members by offering access to scientific meetings, networking events, opportunities for career development, access to journals, bursaries, education and training, and being part of a community. This enables Members to deliver better science, leading to public benefit.

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

### **New Strategy 2022 - 2024**

The Society launched its new three-year strategy in January 2022. The strategy, developed by its Trustees in collaboration with its staff and members builds on strong foundations and keeps the needs of its community at the heart of its future. Our revitalised and bold approach for the next three years is driven by new values and was created amid the COVID-19 pandemic. The strategy focusses on raising even greater awareness of the impact of our discipline, bringing pharmacologists more closely together, and supporting and celebrating their scientific advances for the health of humans and animals.

It followed a turbulent two years for global health, during which Society members around the world actively contributed to saving lives and reducing the effects of COVID-19. But though this has been a challenging period for science and medicine, the Society's plans for 2022-2024 seek to use the renewed profile of pharmacology and drug discovery to further improve the understanding of their benefits to the wider community.

The 3-year strategy sets out our strategic goals in three broad areas:

- **PROGRESSING OUR PHARMACOLOGY PRIORITIES**
- **CELEBRATING AND CONNECTING OUR COMMUNITY**
- **SUSTAINING OUR SOCIETY.**

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## BRITISH PHARMACOLOGICAL SOCIETY

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

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Our approach to delivering against these three broad goals is set out within the strategy and summarised in the table below.

<b>Progressing our pharmacology priorities</b>
What we will achieve: <ul style="list-style-type: none"><li>• We will advance the discipline of pharmacology, communicating its beneficial impact on animal and human health</li><li>• We will bring pharmacologists together to make advances in priority research areas</li><li>• We will work with our community and stakeholders to make progress on issues that matter</li></ul>
How we will get there: <ul style="list-style-type: none"><li>• By supporting training, workforce development, and multi-professional partnerships</li><li>• By driving an innovative programme of commissioned and member-led content</li><li>• By leveraging our strengths in the production and delivery of quality content, to disseminate cutting-edge science worldwide</li><li>• By curating, and where necessary expanding, content into thematic priorities, which are joined-up across policy, publishing, education, training, and meetings</li></ul>
<b>Celebrating and connecting our community</b>
What we will achieve: <ul style="list-style-type: none"><li>• We will foster and celebrate a diverse pharmacological community, flexing our provision to meet its changing needs</li><li>• We will anticipate the changing needs of the pharmacological community, recognising and supporting all individuals, at all stages of their careers</li><li>• We will dismantle barriers to inclusion if we identify any within the Society</li></ul>
How we will get there: <ul style="list-style-type: none"><li>• By harmonising our education, training, and engagement projects in collaboration with our community across all settings, by aligning them to our thematic priorities</li><li>• By focusing on removing barriers to inclusion and building equity throughout the Society</li><li>• By embracing digital opportunities to grow membership and expand engagement</li><li>• Inspiring the new generation by articulating the breadth and depth of pharmacology</li></ul>
<b>Sustaining our Society</b>
What we will achieve: <ul style="list-style-type: none"><li>• We will secure our future to support the next generation of pharmacologists and to continue to champion the importance of the discipline</li><li>• We will build our financial and structural resilience with sustainable decision frameworks, diversified funding streams and robust governance</li></ul>
How we will get there: <ul style="list-style-type: none"><li>• By developing and adapting our publishing portfolio, ensuring we provide a place to publish for all pharmacology researchers</li><li>• By building BPS Assessment Ltd into the premier assessment and learning business for prescribing skills</li><li>• By adopting best practice environmental, social and governance policies and practices</li><li>• By pursuing ethical income opportunities and developing targets to reach Net Zero</li></ul>

The Society's Officers and Staff worked to deliver a range of annual objectives that link directly to the strategy. The annual objectives together with the activities undertaken, results and impact of those activities are listed in the "Objectives, Performance, Achievements and Impact" section of this report.

## OBJECTIVES, PERFORMANCE, ACHIEVEMENTS AND IMPACT 2022

The Trustees and Staff agreed a series of annual objectives for the Society for 2022 aligned to the 2022-2024 strategic plan. Progress was reported to Trustees on a regular basis throughout the year to celebrate success and identify areas of challenge. Members worked with the Staff team through committees, advisory group and working groups to progress all areas of the Society's work and significant progress was made throughout the year.

All objectives aligned to the strategic goals and objectives set out in the organisational strategy, this new approach ensured that the impact of the Society's work can be communicated effectively to our members and the wider community over the current strategy period.

### Progressing our pharmacology priorities

#### **Strengthening the foundations of clinical pharmacology through supporting the training, workforce development, and multi-professional partnerships that enable the safe and effective development and use of medicines.**

- Working with partners in the Clinical Pharmacology Skills Alliance and NHS England & Improvement, continue to build the value and impact case for investing in UK clinical pharmacology.
- Building on prior campaigns, sustain and grow engagement with clinical pharmacology as a career, growing the pipeline in line with the CPSA ten-year workforce strategy.
- Working with the Medical Schools Council ensure that the PSA is secured for future delivery to Medical Students and Foundation Doctors.

#### **Bringing the pharmacological community together through an innovative programme of commissioned and member-led content, online and in-person.**

- Build a strategic plan for our 2022 - 2023 events schedule including intended aims and priorities of each event that balances both the Society's charitable and commercial aims.
- Build momentum and excitement for WCP2023 through careful planning, ensuring key milestones are met and the Executive's vision for the meeting is adopted.
- Working with our partners expand our reach to new or under-served communities through the provision of and delivery of co-organised meetings.
- Secure opportunities to partner with our sister societies to showcase pharmacology on a global scale.

#### **Curating, and where necessary expanding, content into thematic priorities, which are joined-up across policy, publishing, education, training, and meetings.**

- Develop a plan to identify and connect ideas and activities into thematic priorities which can be delivered through policy work, website pages, awareness days and meetings, implementing steps via communication channels where possible.
- Drive and coordinate impactful activity on, and approach to, thematic priorities, including our process for consolidating and creating links across existing and emerging priorities

#### **Leveraging our strengths in the production and delivery of quality content to disseminate cutting edge science to a global audience.**

- Build and expand our digital meeting offering including hybrid meetings and BPS Live
- Prioritise commercial partnerships that can amplify the quality and reach of our content to new audiences.

### Impact statement

The Society launched a joint report with the Royal College of Physicians, *Personalised prescribing: using pharmacogenomics to improve patient outcomes* in March 2022. This report attracted significant media impact, over 600 news articles across 36 different countries and was utilised to engage Parliamentary support during Evidence Week where the report and briefing was shared with 61 MPs and peers.

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## BRITISH PHARMACOLOGICAL SOCIETY

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

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Clinical Pharmacology Week (10th-14th October): had activities driven through social media this year - aiming to spread the message about clinical pharmacology, and the role it plays in healthcare. This included sharing video content with interviews from clinical member pharmacologists working in various fields (from NHS to Industry) and promotion of the new clinical pharmacology apprenticeship. A social media toolkit was shared via our member networks; utilised notably by the University of Liverpool, who used the branding from the toolkit to create cards to promote the work of their own clinical pharmacologists.

The Society strengthened its partnership working by jointly hosting two successful partner meetings with ELRIG on 'New Drug Modalities' in July 2022 and The Physiological Society on 'Lungs: More than gas exchange' meeting held in November 2022. Through these joint ventures the Society provided a platform for our members to share their science across disciplines and share, debate and discuss cutting edge research and training methodologies.

The Society's new principles for inclusive implementation of the curriculum were ratified by Council and shared widely through publication, sessions at Pharmacology 2022 and through the educator network. They were endorsed by IUPHAR and published by PR&P. Through the Education and Training Committee's commitment to inclusive pharmacology as a priority area, they commissioned a grant call resulting in the award of three grants focusing on inclusivity.

Commercial partnerships web page launched with case studies of completed partnerships to encourage and bring to life opportunities. The World Congress of Basic and Clinical Pharmacology is a key event in the 2023 calendar, much of the preparation work was undertaken in 2022, including the launch of Abstracts and registration and conversations with partners to build a vibrant and engaging global meeting. Working with the Congress leadership, Professor David Webb and Professor Amrita Ahluwalia has ensured the scientific programme is exemplary and over 1000 abstracts were submitted by December 2022.

#### Celebrating and connecting our community

##### **Focusing on removing barriers to inclusion, building equity and accessibility into every entry, progression, and decision point within the Society.**

- Work to empower committees and teams to collaborate by removing barriers and monitoring progress across our activities
- Develop a consistent approach to governance, recruitment and organisational policies across our activities
- Develop our approach to being an inclusive employer, evolving and living a positive culture
- Expand and connect each journal's EDI action plan to generate joint approach across the Society's publications, in line with latest industry best practice and with the needs of our community.
- Review of pay policy to ensure it is fair, equitable and competitive

##### **Harmonising our education, training and engagement projects in collaboration with our community, by aligning them to our thematic priorities and taking account of the needs of those within industry, academia and clinical settings.**

- Develop a publishing plan for increasing industry engagement and contributions to our Journals.
- Building on prior work, further develop our education and engagement communities (including Ambassadors) by providing opportunities for networking and shared learning throughout the year.
- Develop an integrated learning pathways approach to education and training, delivering tangible activities for the pharmacology community

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**Embracing digital opportunities so that we can extend our reach, grow membership, and expand our communities of engagement.**

- Developing a Digital Working Group which will allow all staff a space where they can discuss the development and delivery of content via existing and new digital channels.
- Ensure that the new contact relationship management system (CRM) is established as our principal knowledge hub post go-live in 2022.
- Embed and refine processes to facilitate hybrid and digital Council and all governance related meetings to aid inclusive decision-making irrelevant of the ability to travel.

**Sharing stories that articulate the breadth and depth of pharmacology, to represent and inspire the next generation of pharmacologists.**

- Develop a coordinated approach to curating and sharing a diverse set of member profiles and stories that are tailored to key audiences with the aim of supporting member engagement with the Society, careers opportunities and pharmacology more broadly.
- Further develop Pharmacology Matters and the Society's blog to amplify the depth and breadth of pharmacology, using it as a vehicle to showcase the work and impact of our members.

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**Impact statement**

Committee and staff leads collaborated and contributed to a discussion paper of current inclusive work and successes (including Grants, Awards, Committee membership, and Society membership). An action plan template framework was developed, and all core committees discussed this in the 2022 cycle, embedding this into core process. Committees will develop targeted action plans in 2023 and continue to share best practice and learnings to build capacity and understanding.

Following approval by the Engagement Committee, a brand-new network was launched on the BPS Community platform - the Engagement Network. As well as being a space to share engagement training opportunities and tips, the platform is used to promote the new Engagement webinars - the first of which was held in October, following excellent feedback these will continue to be hosted throughout 2023.

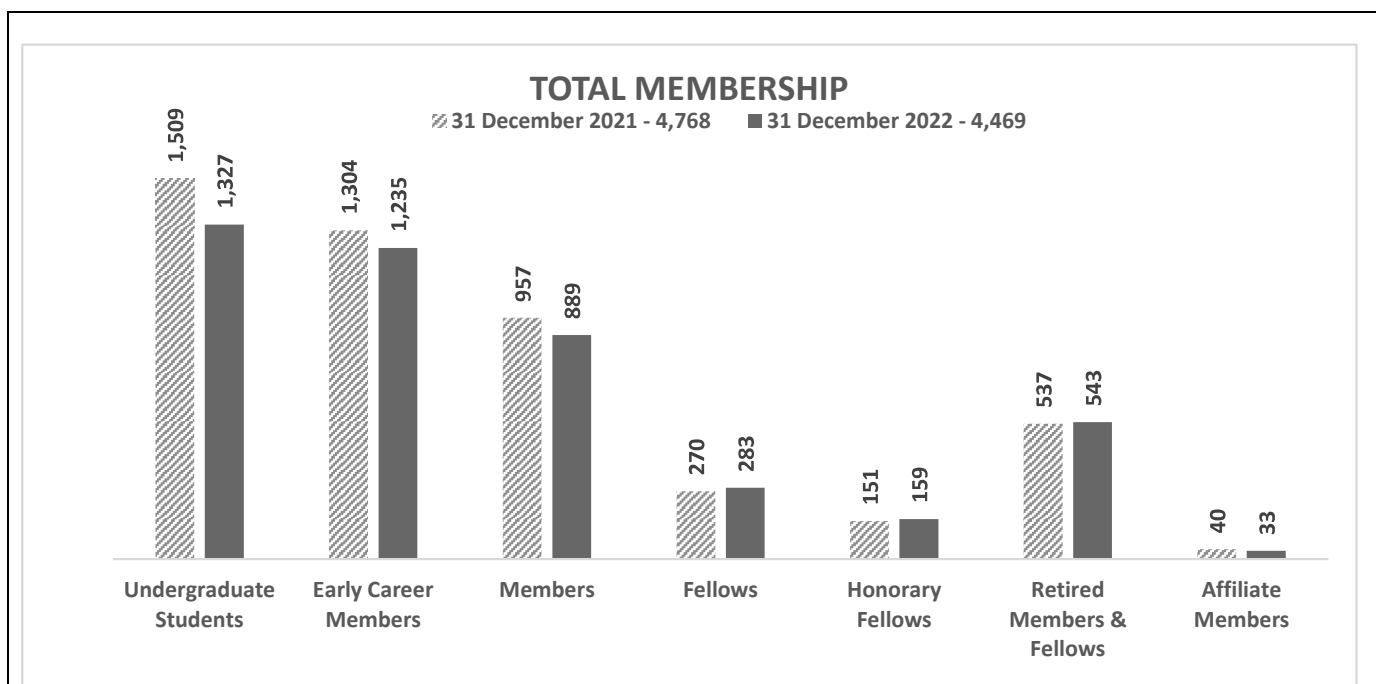
Five BPS training workshops have been successfully delivered on the following topics: Genomics in Drug Discovery and Development, Statistics, PROTACS, Pharmacology and Drug Discovery and Pharmacokinetics and Pharmacodynamics. Pharmacology and Drug Discovery eLearning was developed using the platform and pre-course learning was sent out to the delegates who attended the Statistics training, this has been built into the eLearning platform and can be used for future sessions.

The new CRM went live on 30 September 2022 and will provide a firm foundation for achievement of efficiency, effectiveness and service improvements.

Using our Blog, we have developed short articles and stories to inspire and educate. One highlight has been the development of our Unmet Health Needs series in the latter half of the year. Pharmacology Matters is commissioning content related to meetings, and to wider pharmacological/societal topics, for example Pharmacology in the Metaverse, the most popular article of the August 2022 issue. We have recruited a new deputy editor, their clinical expertise will broaden the scope of Pharmacology Matters, increasing our reach and relevancy.

Member numbers declined in 2022 after two years of growth and reaching in their highest-ever levels in 2021. The reduction was mostly due to a fall in the number of Undergraduate Student members.

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022



Voting Members are:

Honorary Fellows, Fellows, Retired Members & Fellows, Members and Early Career Members.

**Sustaining our society**

**Developing and adapting our publishing portfolio, taking into account the research environment and community requirements, ensuring we provide a place to publish for all pharmacology researchers.**

- Develop rationale for publishing portfolio expansion or adaptation, with cultivation of stakeholder buy-in.
- Explore the development of Pa2 into platform for abstracts and posters, with potential for expansion into other content types and outputs, up to and including articles.
- Work with IUPHAR and NC-IUPHAR to ensure the long-term stability of the Guide to Pharmacology database as an OA tool for the pharmacology community.

**Building BPS Assessment Ltd into the premier assessment and learning business for prescribing skills by growing national and global sales of our core products and services.**

- Build a sustainable business, putting the company on a secure financial footing that is underpinned by clear business targets
- Build on our existing knowledge and understanding of the UK markets to drive awareness of our B2C products
- Create a clear development pipeline - ensuring platform keeps abreast of good practice in e-learning and assessment

**Adopting best practice environmental, social and governance policies and practices, and pursuing ethical income opportunities whilst developing clear targets to de-carbonise and reach Net Zero.**

- Complete an investment policy review, considering the Society's approach to ESG principles, and implications for staff pension arrangements
- Conduct an options appraisal for the Society's premises
- Create a framework that supports donations and legacies.
- Embed a good understanding of the Society's financial strategy and ensure that clear and efficient processes are in place, so all individuals associated with budgets are financially empowered to fulfil their objectives

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## BRITISH PHARMACOLOGICAL SOCIETY

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

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- Initiate benchmarking exercise to understand baseline environmental footprint of the organisation.
- Build sponsor and partnership relationships with existing and new commercial partners
- Establish operation of BPS Trading Services to underpin commercial partnerships activity.

#### Impact statement

The Society's financial planning horizon extends over a three-year time period and through this long-term approach the Trustees identified the necessity to resolve the steady net-spend resulting in a gradual reduction of the Society's net assets over a three-to-five-year timeframe. This responsible approach to financial planning resulted in the Trustees approving the formation of three working groups to focus on business planning opportunities for the Society. Given significant groundwork completed by the development of a publishing strategy in early 2022 a journals working group convened first. In the latter quarter of 2022 the Trustees approved the formation of two further working groups for meetings and training, and operations and resourcing.

The trading subsidiary, BPS Assessment Ltd is overseen by a Board of external and internal Non-Executive Directors, all of whom have appropriate expertise relevant to the business. Despite staff vacancies and challenges as the sales effort recovered from losses during the pandemic years, the end of year sales were £266,558 which represents a 35% increase on 2021 sales. Renewal rate was >98% with an ever-growing number of multiyear deals indicating customer satisfaction and loyalty.

The Society's investment policy was thoroughly reviewed through the lens of Environmental, Social and good Governance factors resulting in a revised investment policy that fits the Society's ethical investment objectives. The Trustees approved the new policy and our investment managers have been instructed to enact changes as required.

A framework for receiving donations was not progressed in 2022, however through the planning process for the World Congress of Basic & Clinical Pharmacology the Society has partnered with Enthuse a charitable donation platform to fundraise to support early career researchers attend the Congress in 2023. The Society was delighted to receive a significant donation from the Dollery family. Through the generous donation, the Society launched the Sir Colin Dollery Clinical Pharmacology Training Award. This award was established to celebrate the life and legacy of Sir Colin Dollery and it aims to support the discipline of Clinical Pharmacology by encouraging medical students to pursue Clinical Pharmacology as a specialty and increasing basic pharmacology skills for medical students pursuing a career path within industry.

BPS Trading Services Limited commenced trading with effect from 01 January 2022 and recorded Turnover of £41,900 in its first year.

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**PLANS FOR FUTURE PERIODS**

2023 will be the second year of delivery of the Society's three-year strategy 2022-2024, building on the success of 2022 the Society will aim to:

**Progressing our Pharmacology Priorities**

**Strengthening the foundations of clinical pharmacology through supporting the training, workforce development, and multi-professional partnerships that enable the safe and effective development and use of medicines.**

- Working with partners, including the Clinical Pharmacology Skills Alliance (CPSA), to review our approach to building the discipline and career paths for clinical pharmacology.
- Build on BPS facilitated training and awareness campaigns to support and grow all forms of clinical pharmacology (NHS, academic, and drug discovery).
- Deliver the Dacre review, an independent review of the Prescribing Safety Assessment and enable the Society to curate a response and act on its outcomes.

**Bringing the pharmacological community together through an innovative programme of commissioned and member-led content, online and in-person.**

- Build a strategic plan for our 2023-2027 events schedule, in collaboration with the Meetings and Training Working Group, with a focus on increasing revenue from our events.
- Deliver a successful and financially profitable WCP2023, meeting all KPIs and supporting the needs of the Executive Committee and other stakeholders, while upholding the BPS values.
- Work with commercial partners and sister societies to expand our reach and showcase pharmacology on a global scale through the provision of and delivery of co-organised meetings.

**Curating, and where necessary expanding, content into thematic priorities, which are joined-up across policy, publishing, education, training, and meetings.**

- Develop and communicate policy messages (particularly across our campaign priorities - inclusive pharmacology and clinical pharmacology), making the most of cross-Society channels such as publishing, digital platforms, meetings and education.

**Celebrating and connecting our community**

**Focusing on removing barriers to inclusion, building equity and accessibility into every entry, progression, and decision point within the Society.**

- Work to empower committees and teams to collaborate by removing barriers and monitoring progress across our activities.
- Build an engaged workforce motivated by having the best possible experience of work.
- Expand and connect each journal's EDI action plan to generate joint approach across the Society's publications, in line with latest industry best practice and with the needs of our community.
- Formally adopt Web Content Accessibility Guidelines (WCAG) 2.2 as a policy for our websites, email and other web-based channels - aiming for 'AA' compliance as much as possible. Use this guidance when developing new BPS website.
- Digital and branded content aligns with our EDI values, is supportive of the community and nurtures a compassionate environment.
- Develop the Society's membership offer to the "non-voting" pharmacology community.

**Harmonising our education, training and engagement projects in collaboration with our community, by aligning them to our thematic priorities and taking account of the needs of those within industry, academia and clinical settings.**

- Building on our member networking from 2022, further support our education, engagement and drug discovery communities (including Ambassadors) by providing regular communications and opportunities for shared learning throughout the year.

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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- Develop an integrated learning pathways approach to education and training, delivering tangible outputs for learning pharmacology.

**Embracing digital opportunities so that we can extend our reach, grow membership, and expand our communities of engagement.**

- Launch new BPS website by end of November 2023.
- Develop the new CRM into the Society's "principal knowledge hub".

**Sharing stories that articulate the breadth and depth of pharmacology, to represent and inspire the next generation of pharmacologists.**

- Connect everyone who creates content for our channels, having oversight of production.
- Create editorial oversight frameworks for content output across the organisation.

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**Sustaining our Society**

**Developing and adapting our publishing portfolio, taking into account the research environment and community requirements, ensuring we provide a place to publish for all pharmacology researchers.**

- Support Journals Working Group to develop recommendations for Council by June and deliver on any activities agreed for 2023.

**Building BPS Assessment Ltd into the premier assessment and learning business for prescribing skills by growing national and global sales of our core products and services.**

- Grow sales by at least 25% from 2022 sales result.
- To build significant new income stream from platform licensing.
- To develop a strategic response to the outcome of the Dacre review.

**Adopting best practice environmental, social and governance policies and practices, and pursuing ethical income opportunities whilst developing clear targets to de-carbonise and reach Net Zero.**

- Conduct a sustainability audit using the GoingGreenTogether template.
- Develop a sustainability policy for the Society, initial focus on building and digital in relation to reduction of Carbon Footprint.
- ESG policies to inform outcomes of Operations and Resourcing Working Group - leading to a more efficient and sustainable operational infrastructure of the Society.

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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## FINANCIAL REVIEW

The Statement of Financial Activities on page 24 reports the financial performance of the Group (the Society and its trading subsidiaries, BPS Assessment Limited and BPS Trading Services Limited). The Balance Sheets on page 25 provide details of the Group's, and the Society's, financial position at the year end.

For the year ended 31 December 2022 the total funds of the Group have decreased by £883,018 (2021 - £664,610 increase). The overall decrease is made up of a decrease in unrestricted funds of £1,050,006 (2021 - £699,318 increase) and an increase in restricted funds of £166,988 (2021 - £34,708 decrease).

Net losses on investments totalling £576,479 (2021 - £359,468 gains) have contributed towards the overall movement in funds and are entirely attributable to unrestricted funds.

The resulting balance of total funds at 31 December 2022 amounted to £5,792,797 (2021 - £6,675,815) of which £5,307,978 (2021 - £6,357,984) is the unrestricted funds of the Society.

### Incoming resources

Incoming resources for the year totalled £4,288,037 (2021 - £4,523,279) which is a decrease of 5.2%. Charitable activity income from journal publishing, which is the Society's main income source, has decreased by 11.8% to £3,423,510 (2021 - £3,879,981) although the fact this income has decreased is because of income in 2021 from the journal publishers on completion of a new agreement.

Member numbers decreased by 6.3% to 4,469 (2021 - 4,768) and membership subscription income decreased by 6.3% to £117,201 (2021 - £125,154). The decrease in numbers is primarily attributable to a decrease in the number of Undergraduate Student members.

Scientific meetings income increased by £46,859 to £123,020 (2021 - £76,161) as

the easing of COVID-19 restrictions meant that some additional meetings and events could be held after the cancellations and postponements in 2020 and 2021 due to the pandemic. Pharmacology 2022 was held as an in-person 2-day event, instead of a 3-days as had been the case for 2019 and prior.

Voluntary income totalled £233,000 (2021 - £35,000) and is mostly for educational activities. In 2022 the Society was delighted to receive a significant donation from the Dollery family enabling the Sir Colin Dollery Clinical Pharmacology Training Award to be established.

Investment income was £14,169 higher at £86,695 (2021 - £72,526) due to some market recovery in response to the easing of COVID-19 restrictions.

### Expenditure on charitable activities

Expenditure on charitable activities totalled £4,570,492 (2021 - £4,194,316) which is a 9.0% increase of £376,176. The notable variations within this expenditure are highlighted here.

Journal publishing costs increased by £83,123 to £1,445,775 (2021 - £1,362,652); reflecting increased publisher costs and Society support costs associated with publishing.

Expenditure on educational activities at £1,758,364 was a 3.5% decrease of £63,932 over the previous year (2021 - £1,822,296) due to staffing vacancies for part of the year.

Projects and awards expenditure at £201,850 was a 8.0% increase of £14,958 over the previous year (2021 - £186,892).

Scientific meetings expenditure at £929,197 was a 46.1% increase of £293,128 over the previous year (2021 - £636,069) as the easing of COVID-19 restrictions meant that some additional meetings and events could be held after the cancellations and postponements in 2020 and 2021 due to the pandemic.

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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**Capital expenditure**

Capital expenditure totalled £54,546 (2021 - £58,352) of which £51,302 (£42,952) was for the new contact relationship management (CRM) system which went live on 30 September 2022.

**Reserves policy and designated funds**

The balance on General Funds of £2,964,853 (2021 - £4,022,445) 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 £2,500,000 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 other potential adverse scenarios. The reserves reported at 31 December 2022 therefore represent 119% 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 to part-fund both current and future generations of beneficiaries.

Considering COVID-19 and after consultation with the International Union of Basic and Clinical Pharmacology (IUPHAR) it was decided in 2020 to move the World Congress of Pharmacology from 2022 to July 2023. The World Pharma 2023 fund exists to underwrite a potential net cost to the Society of £500,000 (2021 - £500,000) for hosting the Congress and thus guarantee the running of the event. Appropriate additional safeguards will be implemented to ensure the safety and financial stability of this global meeting.

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.

**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 £3,520,828 at 31 December 2022 (2021 £3,966,190). This represents a total return (net of fees) of -12.6%, compared to the Asset Risk Consultants (ARC) steady growth charity index of -9.6%.

In 2022 the world was buffeted by economic and geopolitical shocks, which created very challenging conditions for investment. At the beginning of the year, concern was rife about the new more transmissible variant of COVID-19 that was spreading around the world. As concern ebbed over the Omicron variant, fears rose over rising levels of inflation.

While most investors and policymakers went into 2022 expecting a return of inflation, few foresaw just how sharply and persistently prices would rise. The Federal Reserve, which sets US interest rates, expected to raise rates by less than 1% by the end of the year, but ended up hiking by more than 4% in what was, arguably, the most aggressive interest rate rising cycle on record.

Inflation was more persistent than expected, and therefore interest rates rose by more than expected. This meant bonds were worth less and the growth of company profits was generally outweighed by falling valuations in the equity market.

The most significant bright spot for investors was energy. Energy bounced back spectacularly from a difficult post-pandemic period, which at one time saw oil prices turn briefly negative, fuelled by a pick up in

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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demand coinciding with OPEC cutting oil production and sanctions on Russian oil in response to the invasion of Ukraine.

As the year progressed, inflation remained stubborn driven by soaring demand and reduced supply of energy, goods and labour; while the period of ultra-low interest rates sent property prices flying. During the last few months of the year, there were signs of all of these forces easing.

In anticipation of slowing inflation, investors have begun to anticipate a peak in interest rates across the UK, US and Europe. Central banks have tried to temper these expectations, but if they come to pass, they will remove a major headwind for the stock market and have been reflected in equity and bond market rallies over the final quarter.

As a result of the turbulent year for negative news flow and the prevailing uncertain economic background, both equities and bonds fell sharply. Global equities dropped by 7.3%, led by the US which declined by 8.4%, however it was bonds that faced the full wrath of the market sell off. UK sovereign bond prices collapsed by the 23.8%, the worst decline for decades.

The investments are managed on behalf of the Society by an investment management company, RBC Brewin Dolphin (RBCBD), 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. RBCBD 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 September 2022 the Society approved a new investment policy recommended following an 18-month review by a working group of Finance Committee. The new policy integrates environmental, social and governance (ESG) considerations into investment processes and ownership practices. The Society would expect the overall ESG risk and "controversy" ratings to fall over time and will indicate and agree their expectations in advance and direct investment in the "severe" ESG risk category is also prohibited. In addition, to

maintain an impartial position, RBCBD 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 enable the Society to regularly review both the performance of RBCBD 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 work with the investment manager to ensure the investments provide long-term growth ahead of inflation, income and liquidity.

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## BRITISH PHARMACOLOGICAL SOCIETY

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2022

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative details of the charity, its trustees and advisers are shown on page 17 of the financial statements.

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, the current version of which took effect from 1 January 2015.

#### The Trustees

The Trustees of the charity for the year under review are below, with details of their attendance at the four Council meetings held in 2022 (2021 – four meetings).

<b>Elected Officer Trustees</b>		
President	C Page	3/4
President Elect	M Caulfield	4/4
Honorary Treasurer	C Williams (until 31 December 2022)	4/4
<b>Elected Trustees</b>		
	A Alfirevic	4/4
	J Coleman	3/4
	S Rees	3/4
	M Wallace (until 31 December 2022)	4/4
	S Watson	4/4
<b>Appointed Trustees</b>		
	E Briffa	4/4
	L Cumberbatch	4/4
	R M Quinn	4/4
	A Zorn	4/4

Trustees' main legal responsibilities are as follows:

- Ensure the charity is carrying out its purposes for the public benefit
- Act in the charity's best interests
- Comply with the charity's governing document and the law
- Manage the charity's resources responsibly
- Act with reasonable care and skill
- Ensure the charity is accountable to the Charity Commission for meeting its objectives as a registered charity.

The Trustees are also the company Directors of the British Pharmacological Society. The

Companies Act imposes similar legal duties on company Directors.

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 represents industry, one represents clinical pharmacology, and one is an Early Career Pharmacologist) are either elected by the Voting Members or appointed by Council.

Council appoints Appointed Trustees based on their skills, knowledge and experience, choosing them to support the Society in delivering its charitable purposes. The maximum number of appointed Trustees is one third of the total number of Trustees, and so cannot exceed four.

Trustees are elected to serve for periods of between three and four years, depending on office. Elections to 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 ordinarily to a maximum of two terms of up to three years each, after which any person so appointed may 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 three years has elapsed after expiry of their term of office.

Member participation in the Society's charitable mission is crucial to shape the future direction of the Society's activities. This is why most members are Voting Members who can self-nominate for elected roles.

Role descriptions have been produced for Trustees which are regularly reviewed to ensure they reflect the Society's strategic aims. The role descriptions specify the knowledge, skills and attributes required. A skills survey of Trustees is undertaken regularly which helps determine their training requirements and Trustees attend training annually.

TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022

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

- The Charity Commission's Governance Code for Trustees sets out the hallmarks of an effective charity, which includes seven principles that are 'built on the assumption that a charity is meeting its legal and regulatory responsibilities as a foundation';
- 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"*.

#### **Committees and Management Group**

Council has ultimate responsibility for all aspects of the Society's activities, with the exception of those matters which must be decided by a general meeting of the members. The Council focuses on strategy and delegates all but key strategic and financial decisions to five core Committees, each chaired by a Vice President or Officer, who have significant autonomy and control over their budgets.

The core Committees report back to Council. These reports cover risk management. Members of these Committees comprise both Trustees and/or elected Vice-Presidents, together with other Members and some non-members. Financial management is delegated to the Finance Committee, chaired by the Honorary Treasurer. The journals are managed by the Society's Publications Team, which refers as appropriate to the President Elect, Council and Management Group, and in turn delegates responsibility to the journals' Management and Editorial Boards.

Council has delegated responsibility for the general management of the Society's

activities to a small Management Group, chaired by the President, to oversee the day-to-day operations of the Society. The other members of the Group are the President Elect, Honorary Treasurer and Chief Executive. The Trustees employ a Chief Executive, who is responsible for executing the decisions of Council and for the day-to-day management of the Society's resources. The Chief Executive reports back to Council and Management Group on performance against the objectives of the Society.

At 31 December 2022 the Society had 26 full time equivalent staff, and used specialist consultants as required.

#### **Member contribution**

The Society benefits significantly from voluntary work by its Members in the organisation of meetings, editing and reviewing manuscripts, service on Committees and panels, and many other activities. The Trustees thank these Members for all this hard work, given in Members' free time. The Society could not function successfully without Members' support.

The Society, Council and Members participate actively in the wider bioscience community, both in the UK and internationally. This includes collaborative funding of research and education initiatives, and the hosting of scientific meetings. Details of these activities are included in the section on Objectives and Achievements, listed 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 by the Society, competitive in the market, 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

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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living and non-recurring performance-related elements, and that these elements should relate both to the performance of the Society and the state of its finances.

Council retains overall responsibility for remuneration and employment benefits, and has delegated the operation of such matters to Management Group and Finance Committee (overall affordability).

When considering recommendations for performance awards and any changes to salary, Management Group are provided with individuals' performance compared with set objectives and targets, and benchmarking information. External data on general inflation and wage inflation is considered when considering any cost of living award.

**Risk assessment**

The Council has a Risk Policy and a Risk Register, which provide the framework and controls for the management of risks. The Risk Register is reviewed on a continuing basis by the Finance Committee, who then report to Trustees. Risk management is an integral part of the Society's business processes.

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 existing and potential business development activities do not result in significant alternative, sustainable sources of net revenue.

An emerging risk considered during 2022 was the current economic climate of significant price inflation adversely impacting the cost of living; this is not assessed as having a substantial effect on the Society's income and its effect on the cost-base has been incorporated into plans and mitigating actions.

**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 fundraise in any way 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;

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**BRITISH PHARMACOLOGICAL SOCIETY**

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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- 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.

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 03 May 2023 and signed on their behalf by:



**C Page**  
President

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**BRITISH PHARMACOLOGICAL SOCIETY**

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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**Trustees**

A Alfirevic  
E Briffa  
M Caulfield  
J Coleman  
L Cumberbatch  
A Hobbs from 1 January 2023  
S Kennedy from 1 January 2023  
C Page  
R M Quinn  
S Rees  
L Wallace until 31 December 2022  
S Watson  
C Williams until 31 December 2022  
A Zorn

**Key management personnel**

R Lambert-Forsyth Chief Executive  
K Banham Director, Research  
Dissemination  
D James Executive Director,  
Business Development  
M Poole Finance & Commercial  
Director  
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

**Independent auditors**

Moore Kingston Smith LLP, Chartered  
Accountants & Statutory Auditor  
6th Floor, 9 Appold Street, London, EC2A 2AP

**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**

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**Opinion**

We have audited the financial statements of British Pharmacological Society for the year ended 31 December 2021 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).

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 2021 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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**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 contained within the annual report. 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.

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 course of 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 themselves. 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.

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

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**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:

- 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.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, 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:

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

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- 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.
- 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.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

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

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Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are [the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council]
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**Use of our report**

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, 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.

*Moore Kingston Smith LLP*

.....  
**Neil Finlayson (Senior Statutory Auditor)**

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 3 May 2023.....

Devonshire House,  
6th Floor, 9 Appold Street,  
EC2A 2AP

Moore 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 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
<b>INCOME AND ENDOWMENTS FROM:</b>							
Donations and legacies	2	233,000	-	233,000	35,000	-	35,000
Investments	3	-	86,695	86,695	-	72,526	72,526
Charitable activities	4	68,936	3,893,606	3,962,542	69,886	4,339,700	4,409,586
Other	5	-	5,800	5,800	-	6,167	6,167
<b>TOTAL INCOME</b>		<b>301,936</b>	<b>3,986,101</b>	<b>4,288,037</b>	<b>104,886</b>	<b>4,418,393</b>	<b>4,523,279</b>
<b>EXPENDITURE ON:</b>							
Raising funds	6	-	24,084	24,084	-	23,821	23,821
Charitable activities	7	159,948	4,410,544	4,570,492	158,000	4,036,316	4,194,316
<b>TOTAL EXPENDITURE</b>		<b>159,948</b>	<b>4,434,628</b>	<b>4,594,576</b>	<b>158,000</b>	<b>4,060,137</b>	<b>4,218,137</b>
Net (losses) / gains on investments		-	(576,479)	(576,479)	-	359,468	359,468
<b>NET INCOME / (EXPENDITURE)</b>		<b>141,988</b>	<b>(1,025,006)</b>	<b>(883,018)</b>	<b>(53,114)</b>	<b>717,724</b>	<b>664,610</b>
Transfers between Funds	21	25,000	(25,000)	-	18,406	(18,406)	-
<b>NET MOVEMENT IN FUNDS</b>		<b>166,988</b>	<b>(1,050,006)</b>	<b>(883,018)</b>	<b>(34,708)</b>	<b>699,318</b>	<b>664,610</b>
Total funds brought forward		317,830	6,357,985	6,675,815	352,538	5,658,667	6,011,205
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>21</b>	<b>484,818</b>	<b>5,307,978</b>	<b>5,792,797</b>	<b>317,830</b>	<b>6,357,985</b>	<b>6,675,815</b>

All activities relate to continuing operations.

The net expenditure of the parent Society itself amounted to £1,585,543 (2021 net income - £635,428).

The notes on pages 27 to 43 form part of these financial statements.

**BRITISH PHARMACOLOGICAL SOCIETY**  
**REGISTERED NUMBER: 2877400**

**BALANCE SHEETS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Group 2022	Group 2021	Charity 2022	Charity 2021
Note	£	£	£	£
<b>FIXED ASSETS</b>				
Intangible assets	13	129,584	116,036	116,036
Tangible assets	14	713,542	719,504	719,504
Investment in subsidiaries	15	-	-	2
Investments	16	3,520,828	3,966,190	3,966,190
		<b>4,363,954</b>	<b>4,801,730</b>	<b>4,801,732</b>
<b>CURRENT ASSETS</b>				
Debtors	17	1,484,097	1,819,140	1,830,134
Cash at bank and in hand		<b>1,247,621</b>	960,432	741,245
		<b>2,731,718</b>	<b>2,779,572</b>	<b>2,571,379</b>
<b>CREDITORS: amounts falling due within one year</b>	18	<b>(1,252,574)</b>	(837,182)	(670,263)
		<b>1,479,145</b>	1,942,390	1,901,116
<b>NET CURRENT ASSETS</b>		<b>1,479,145</b>	1,942,390	1,901,116
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,843,099</b>	6,744,120	6,702,848
<b>CREDITORS: amounts falling due after more than one year</b>	19	<b>(50,302)</b>	(68,305)	(60,230)
<b>NET ASSETS</b>		<b>5,792,797</b>	6,675,815	6,642,618
<b>CHARITY FUNDS</b>				
<b>Restricted funds</b>	21	<b>484,818</b>	317,830	317,830
<b>Unrestricted funds</b>				
Unrestricted designated funds	21	2,343,126	2,335,540	2,335,540
Unrestricted general fund	21	2,964,853	4,022,445	3,989,248
		<b>5,307,979</b>	6,357,985	6,324,788
<b>TOTAL FUNDS</b>		<b>5,792,797</b>	6,675,815	6,642,618

The financial statements were approved by the Trustees on 03 May 2023 and signed on their behalf by:



**S Kennedy**

**Honorary Treasurer**

The notes on pages 27 to 43 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 2022**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net movement in funds	<b>(883,018)</b>	664,610
Adjustments for:		
Depreciation of intangible fixed assets	<b>37,754</b>	69,582
Depreciation of tangible fixed assets	<b>9,206</b>	8,621
Loss on disposal of intangible fixed assets	-	-
Loss on disposal of tangible fixed assets	-	-
Losses / (Gains) on investments	<b>576,479</b>	(359,468)
Dividends and interest received	<b>(86,695)</b>	(72,526)
Decrease / (increase) in debtors	<b>335,043</b>	(173,053)
(Decrease) / increase in creditors	<b>397,388</b>	(450,153)
<b>NET CASH (USED IN) / GENERATED BY OPERATING ACTIVITIES</b>	<b><u>386,157</u></b>	<b><u>(312,387)</u></b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to intangible fixed assets	<b>(51,302)</b>	(58,352)
Purchase of tangible fixed assets	<b>(3,244)</b>	-
Purchase of investments	<b>(1,250,798)</b>	(1,148,401)
Proceeds from sale of investments	<b>1,119,681</b>	1,118,710
Dividends and Interest received	<b>86,695</b>	72,526
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b><u>(98,968)</u></b>	<b><u>(15,517)</u></b>
 <b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>		
	<b>287,189</b>	(327,904)
Cash and cash equivalents at beginning of year	<b>960,432</b>	1,288,336
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>1,247,621</u></b>	<b><u>960,432</u></b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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## 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 2020. 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. BPS Assessment Limited commenced trading in 2017 and BPS Trading Services commenced trading in 2022 which is why the Society has produced consolidated financial statements.

All financial statements are made up to 31 December 2022. 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 and BPS Trading Services 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. This has included due consideration to the effects of the coronavirus pandemic and the measures taken both in the UK and overseas to contain it, including the introduction of temporary lockdowns imposed in England in 2020 and 2021. 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 publishing income. The trustees have entered into a new publishing contract for the Society's principal two journals for 2023 onwards and are satisfied that the assumptions regarding future publishing income are reasonable. 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.

### 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  
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**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:

	2022	2021
Member services	10%	8%
Journal publishing costs	14%	13%
Educational activities	54%	57%
Projects and awards	3%	2%
Scientific meetings	19%	20%

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 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. 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: 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  
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**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 22. 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 at 31 March 2020 was £3,612 million representing 94% of the liabilities. The market value of SAUL's assets at 30 April 2021 was £4,369 million representing 109% of the estimated liabilities.

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.

Although there was a Technical Provisions surplus at 31 March 2020, allowing for post valuation experience to 30 April 2021 SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the Society.

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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**2. DONATIONS AND LEGACIES**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Donations and grants	<b>233,000</b>	-	<b>233,000</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Donations and grants	35,000	-	35,000

**3. INCOME FROM INVESTMENTS**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Income from UK listed investments	-	68,076	68,076
Income from non-UK listed investments	-	18,573	18,573
Bank interest receivable	-	46	46
	<b>-</b>	<b>86,695</b>	<b>86,695</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Income from UK listed investments	-	59,103	59,103
Income from non-UK listed investments	-	13,411	13,411
Bank interest receivable	-	12	12
	<b>-</b>	<b>72,526</b>	<b>72,526</b>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Membership subscriptions	-	117,201	117,201
Journal publishing income	-	3,423,510	3,423,510
Educational activities	68,936	229,875	298,811
Scientific meetings	-	123,020	123,020
	<b>68,936</b>	<b>3,893,606</b>	<b>3,962,542</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Membership subscriptions	-	125,154	125,154
Journal publishing income	-	3,879,981	3,879,981
Educational activities	69,886	258,404	328,290
Scientific meetings	-	76,161	76,161
	<b>69,886</b>	<b>4,339,700</b>	<b>4,409,586</b>

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**5. OTHER INCOME**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Other income	-	<b>5,800</b>	<b>5,800</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Other income	-	6,167	6,167

**6. INVESTMENT MANAGEMENT COSTS**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Investment management fees	-	<b>24,084</b>	<b>24,084</b>
	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Investment management fees	-	23,821	23,821

**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Activities undertaken directly 2022 £</b>	<b>Grant funding of activities (Notes 8 &amp; 9) 2022 £</b>	<b>Support costs (see below) 2022 £</b>	<b>Total 2022 £</b>
Members services	116,578	1,208	117,520	<b>235,306</b>
Journal publishing costs	1,273,034	-	172,741	<b>1,445,775</b>
Educational activities	1,048,857	58,656	650,851	<b>1,758,364</b>
Projects and awards	93,579	74,500	33,771	<b>201,850</b>
Scientific meetings	693,573	5,000	230,624	<b>929,197</b>
	<b><u>3,225,621</u></b>	<b><u>139,364</u></b>	<b><u>1,205,507</u></b>	<b><u>4,570,492</u></b>

**Analysis of Support Costs**

	<b>Basis of Allocation</b>	<b>Total 2022 £</b>
Finance	Total staff costs	83,371
IT	Total staff costs	183,241
Staff costs	Total staff costs	615,124
Policy & Public Engagement	Total staff costs	94,983
Governance	Total staff costs	70,981
Executive	Total staff costs	7,338
HR	Total staff costs	99,436
Premises	Total staff costs	51,034
		<b><u>1,205,508</u></b>

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**7. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES (Continued)**

	Activities undertaken directly 2021 £	Grant funding of activities (Notes 8 & 9) 2021 £	Support costs (see below) 2021 £	Total 2021 £
Members services	100,886	250	85,270	186,406
Journal publishing costs	1,223,973	-	138,679	1,362,652
Educational activities	1,152,692	48,872	620,732	1,822,296
Projects and awards	84,418	79,890	22,584	186,892
Scientific meetings	439,379	6,128	190,562	636,069
	<u>3,001,348</u>	<u>135,140</u>	<u>1,057,827</u>	<u>4,194,315</u>

**Analysis of Support Costs**

	Basis of Allocation	Total 2021 £
Finance	Total staff costs	51,195
IT	Total staff costs	159,832
Staff costs	Total staff costs	614,207
Policy & Public Engagement	Total staff costs	82,493
Governance	Total staff costs	73,302
Executive	Total staff costs	3,672
HR	Total staff costs	32,561
Premises	Total staff costs	40,565
		<u>1,057,827</u>

**8. GRANTS TO INDIVIDUALS**

	Number 2022	Total 2022 £	Number 2021	Total 2021 £
A J Clark Studentships	1	49,393	1	47,122
Bursaries	35	9,500	-	(110)
Young Pharmacologists	-	-	-	-
Ambassadors Scheme	5	1,208	1	250
	<u>41</u>	<u>60,101</u>	<u>1</u>	<u>47,262</u>

Bursaries in 2022 consist of 41 grants between £40 - £750. 2021 2021 bursaries consist of a reversal of a bursary of £110 that was recorded in 2020 and subsequently unclaimed.

**9. GRANTS TO INSTITUTIONS**

	Total funds 2022 £	Total funds 2021 £
Educational & outreach activities	9,263	1,750
Projects and awards (Guide to Pharmacology)	65,000	80,000
Scientific meetings	5,000	6,128
	<u>79,263</u>	<u>87,878</u>

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**10. GEOGRAPHICAL MARKETS**

90% of the Charity's journal publishing income (2021 - 95%) and 78% (2021 - 56%) of the turnover of BPS Assessment Limited (see Note 15) 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:

	2022	2021
	£	£
Depreciation of intangible fixed assets	37,754	69,582
Depreciation of tangible fixed assets owned by the charity	9,206	8,621
Auditors' remuneration		
Audit - Charity - current year	15,595	12,995
Other - Subsidiary - Review and Financial advice	4,370	1,975

During the year, no Trustees received any remuneration (2021 - £Nil).

During the year, 7 (2021 - 5) Trustees' travel and subsistence and other general expenses totalled £9,406 (2021 - £1,344).

**12. STAFF COSTS**

Staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	1,359,717	1,398,501
Social security costs	157,949	152,696
Pension costs	187,846	170,289
	<u>1,705,512</u>	<u>1,721,486</u>

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

	2022	2021
	No.	No.
Total headcount	23	25
Full time equivalent basis	<u>23</u>	<u>25</u>

The number of higher paid employees was:

	2022	2021
	No.	No.
In the band £60,001 - £70,000	-	-
In the band £70,001 - £80,000	-	2
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	1
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
	<u>5</u>	<u>7</u>

Pension contributions in respect of higher paid employees amounted to £85,664 (2021: £82,697).

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 5 staff (2021: 5 staff). The total employee benefits of the charity's key management personnel amounted to £648,333 (2021: £616,807)

The Society accounts for its participation in SAUL as if it were a defined contribution pension scheme (see note 1.14).

Contributions of £187,846 (2021: £110,859) were payable in the year with payments of £16,130 (2021: £14,057) outstanding at the year end

Contributions into the separate defined contribution pension scheme of £45,447 (2021: £46,373) were payable in the year, with payments of £Nil (2021: £Nil) outstanding at the end of the year.

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**13. INTANGIBLE FIXED ASSETS**

**Group & Charity**

Intangible fixed assets comprise computer software and website.

	<b>Total £</b>
<b>Cost</b>	
At 1 January 2022	736,132
Additions	51,302
At 31 December 2022	<u><b>787,434</b></u>
<b>Amortisation</b>	
At 1 January 2022	620,096
Charge for the year	37,754
At 31 December 2022	<u><b>657,850</b></u>
<b>Net book value</b>	
At 31 December 2022	<u><u><b>129,584</b></u></u>
At 31 December 2021	<u><u>116,036</u></u>

**14. TANGIBLE FIXED ASSETS**

**Group & Charity**

	<b>Long leasehold property £</b>	<b>Fixtures &amp; fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost or Valuation</b>				
At 1 January 2022	710,000	111,927	48,873	<b>870,800</b>
Additions	-	-	3,244	<b>3,244</b>
At 31 December 2022	<u><b>710,000</b></u>	<u><b>111,927</b></u>	<u><b>52,117</b></u>	<u><b>874,044</b></u>
<b>Depreciation</b>				
At 1 January 2022	-	102,423	48,873	<b>151,296</b>
Charge for the year	-	8,305	901	<b>9,206</b>
At 31 December 2022	<u><b>-</b></u>	<u><b>110,728</b></u>	<u><b>49,774</b></u>	<u><b>160,502</b></u>
<b>Net book value</b>				
At 31 December 2022	<u><u><b>710,000</b></u></u>	<u><u><b>1,199</b></u></u>	<u><u><b>2,343</b></u></u>	<u><u><b>713,542</b></u></u>
At 31 December 2021	<u><u>710,000</u></u>	<u><u>9,504</u></u>	<u><u>-</u></u>	<u><u>719,504</u></u>

**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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**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:

	2022	2021
	£	£
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 (incorporated 27 January 2016)	<u>1</u>	<u>1</u>
	<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:

	2022	2021
	£	£
Turnover	218,210	237,397
Expenditure	213,529	204,200
Profit	<u>4,681</u>	<u>33,197</u>

BPS Trading Services (company number 09973456; registered office 16 Angel Gate, City Road, London, EC1V 2PT) commenced trading on 1 January 2022 and its turnover, expenditure and profit are summarised as follows:

	2022
	£
Turnover	41,900
Expenditure	40,465
Profit	<u>1,435</u>

**16. FIXED ASSET INVESTMENTS**

**Group & Charity**

	Listed securities	Listed securities
	2022	2021
	£	£
<b>Market value</b>		
At 1 January	3,966,190	3,577,031
Additions	1,250,798	1,148,401
Disposals (realised gain of £134,256; 2018 £5,799)	(1,316,994)	(1,000,596)
Revaluations	(379,166)	241,354
At 31 December	<u>3,520,828</u>	<u>3,966,190</u>
<b>Historical cost</b>	<u>3,473,674</u>	<u>3,382,367</u>

**Investments at market value comprise:**

	UK	Overseas	2022
	£	£	£
Listed investments	<u>1,013,008</u>	<u>2,507,820</u>	<u>3,520,828</u>
	UK	Overseas	2021
	£	£	£
Listed investments	<u>1,291,374</u>	<u>2,674,816</u>	<u>3,966,190</u>

The above investments are all in relation to unrestricted funds.

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**17. DEBTORS**

	<b>Group</b> <b>2022</b> £	Group 2021 £	<b>Charity</b> <b>2022</b> £	Charity 2021 £
<b>Amounts falling due within one year</b>				
Trade debtors	411,391	134,126	299,054	147,977
Amount due from subsidiary	-	-	-	-
Other debtors	34,453	3,913	2,908	1,056
Prepayments and accrued income	1,038,253	1,681,101	1,038,253	1,681,101
	<u>1,484,097</u>	<u>1,819,140</u>	<u>1,340,215</u>	<u>1,830,134</u>
<b>Amounts due after more than one year</b>				
Prepayments and accrued income	-	21,605	-	21,605
	<u>-</u>	<u>21,605</u>	<u>-</u>	<u>21,605</u>
<b>Total Debtors</b>	<u><b>1,484,097</b></u>	<u>1,840,745</u>	<u><b>1,340,215</b></u>	<u>1,851,739</u>

Other debtors mainly represents journal publishing income due but unpaid at the year end.

**18. CREDITORS**

**Amounts falling due within one year**

	<b>Group</b> <b>2022</b> £	Group 2021 £	<b>Charity</b> <b>2022</b> £	Charity 2021 £
Trade creditors	324,731	157,577	233,645	115,031
Other taxation and social security	167,571	182,938	136,027	182,938
Other creditors	160,215	224,222	159,363	223,370
Accruals and deferred income	600,057	272,445	118,660	148,924
	<u>1,252,574</u>	<u>837,182</u>	<u>647,695</u>	<u>670,263</u>

Included within other taxation and social security is an amount of £16,130 (2021 - £14,058) in respect of pension liabilities. Included within other creditors is an amount of £50,301 (2021 - £60,230) in respect of A J Clark studentship commitments, and £65,000 (2021 - £120,000) related to the Guide to Pharmacology grant.

**Deferred income (Group & Charity)**

The movement of deferred income, included within accruals and deferred income above is as follows:

	<b>Group</b> <b>2022</b> £	Group 2021 £	<b>Charity</b> <b>2022</b> £	Charity 2021 £
At 1 January	126,013	171,897	14,004	19,184
Movement during the year	363,607	- 45,884	44,916	- 5,180
At 31 December	<u>489,620</u>	<u>126,013</u>	<u>58,920</u>	<u>14,004</u>

Included within the group is £278,393 relating to BPS Trading Services (2021 - NA) and £152,307 relating to BPS Assessment Limited (2021 - £112,009).

**19. CREDITORS**

**Amounts falling due after more than one year**

	<b>Group</b> <b>2022</b> £	Group 2021 £	<b>Charity</b> <b>2022</b> £	Charity 2021 £
Grant awards - A J Clark studentships	50,302	60,230	50,302	60,230
Accruals and Deferred Income	-	8,075	-	-
	<u>50,302</u>	<u>68,305</u>	<u>50,302</u>	<u>60,230</u>

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**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 a Career Average Revalued Earnings ("CARE") basis.

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 2020. 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 by the Trustees and employers in June 2021 and will be reviewed again at SAUL's next formal valuation in 2023.

At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, market improvements following the valuation date were positive and the Trustee and the Employers agreed to allow for post-valuation experience up to 30 April 2021. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers' contributions will increase from a rate of 16% of CARE Salaries to 19% of CARE Salaries from 1 April 2022 and to 21% of CARE Salaries from 1 January 2023.

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**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**21. STATEMENT OF FUNDS**

**SUMMARY OF FUNDS**

**Group**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
Designated funds	2,335,540	-	(95,192)	102,778	-	<b>2,343,126</b>
General funds	4,022,445	3,986,101	(4,339,435)	(127,778)	(576,479)	<b>2,964,853</b>
Total unrestricted funds	<b>6,357,985</b>	<b>3,986,101</b>	<b>(4,434,627)</b>	<b>(25,000)</b>	<b>(576,479)</b>	<b>5,307,979</b>
Restricted funds	317,830	301,936	(159,948)	25,000	-	<b>484,818</b>
<b>Total funds</b>	<b>6,675,815</b>	<b>4,288,037</b>	<b>(4,594,575)</b>	<b>-</b>	<b>(576,479)</b>	<b>5,792,797</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
Designated funds	2,355,391	-	(118,353)	98,502	-	2,335,540
General funds	3,303,276	4,418,393	(3,941,784)	(116,908)	359,468	4,022,445
Total unrestricted funds	5,658,667	4,418,393	(4,060,137)	(18,406)	359,468	6,357,985
Restricted funds	352,538	104,886	(158,000)	18,406	-	317,830
Total funds	<b>6,011,205</b>	<b>4,523,279</b>	<b>(4,218,137)</b>	<b>-</b>	<b>359,468</b>	<b>6,675,815</b>

**Charity**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
Designated funds	2,335,540	-	(95,192)	102,778	-	<b>2,343,126</b>
General funds	3,989,248	3,834,187	(4,160,442)	(127,778)	(576,479)	<b>2,958,736</b>
Total unrestricted funds	<b>6,324,788</b>	<b>3,834,187</b>	<b>(4,255,634)</b>	<b>(25,000)</b>	<b>(576,479)</b>	<b>5,301,862</b>
Restricted funds	317,830	301,936	(159,948)	25,000	-	<b>484,818</b>
<b>Total funds</b>	<b>6,642,618</b>	<b>4,136,123</b>	<b>(4,415,582)</b>	<b>-</b>	<b>(576,479)</b>	<b>5,786,680</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
Designated funds	2,355,391	-	(118,353)	98,502	-	2,335,540
General funds	3,299,261	4,260,012	(3,812,585)	(116,908)	359,468	3,989,248
Total unrestricted funds	5,654,652	4,260,012	(3,930,938)	(18,406)	359,468	6,324,788
Restricted funds	352,538	104,886	(158,000)	18,406	-	317,830
Total funds	<b>6,007,190</b>	<b>4,364,898</b>	<b>(4,088,938)</b>	<b>-</b>	<b>359,468</b>	<b>6,642,618</b>

The unrestricted general fund gains/(losses) comprises net loss on investments of £576,476 (2021 net loss of £359,468).

**BRITISH PHARMACOLOGICAL SOCIETY**  
REGISTERED NUMBER: 2877400

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. STATEMENT OF FUNDS (CONTINUED)**

**UNRESTRICTED DESIGNATED FUNDS**

**Group & Charity**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
World Pharma 2023	500,000	-	-	-	-	500,000
Prizes and awards	1,000,000	-	(48,232)	48,232	-	1,000,000
Fixed Asset	835,540	-	(46,960)	54,546	-	843,126
<b>Total Unrestricted Designated funds</b>	<b>2,335,540</b>	<b>-</b>	<b>(95,192)</b>	<b>102,778</b>	<b>-</b>	<b>2,343,126</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
World Pharma 2023	500,000	-	-	-	-	500,000
Prizes and awards	1,000,000	-	(40,150)	40,150	-	1,000,000
Fixed Asset	855,391	-	(78,203)	58,352	-	835,540
<b>Total Unrestricted Designated funds</b>	<b>2,355,391</b>	<b>-</b>	<b>(118,353)</b>	<b>98,502</b>	<b>-</b>	<b>2,335,540</b>

**UNRESTRICTED GENERAL FUNDS**

**Group**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
<b>Total Unrestricted General funds</b>	<b>4,022,445</b>	<b>3,986,101</b>	<b>(4,339,436)</b>	<b>(127,778)</b>	<b>(576,479)</b>	<b>2,964,852</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
<b>Total Unrestricted General funds</b>	<b>3,303,276</b>	<b>4,418,393</b>	<b>(3,941,784)</b>	<b>(116,908)</b>	<b>359,468</b>	<b>4,022,445</b>

**Charity**

	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in / (out) 2022 £	Gains / (losses) 2022 £	Carried forward 2022 £
<b>Total Unrestricted General funds</b>	<b>3,989,248</b>	<b>3,834,187</b>	<b>(4,160,442)</b>	<b>(127,778)</b>	<b>(576,479)</b>	<b>2,958,736</b>
	2021 £	2021 £	2021 £	2021 £	2021 £	2021 £
<b>Total Unrestricted General funds</b>	<b>3,299,261</b>	<b>4,260,012</b>	<b>(3,812,585)</b>	<b>(116,908)</b>	<b>359,468</b>	<b>3,989,248</b>

**BRITISH PHARMACOLOGICAL SOCIETY**  
REGISTERED NUMBER: 2877400

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2022

**21. STATEMENT OF FUNDS (CONTINUED)**

**RESTRICTED FUNDS**

Group & Charity	Brought forward 2022 £	Incoming resources 2022 £	Resources expended 2022 £	Transfers in/(out) 2022 £	Carried forward 2022 £
Schachter Fund	2,088	-	(2,088)	-	-
Gary Price Fund	7,635	-	-	-	7,635
Paton Fund	3,390	-	-	-	3,390
Sir Colin Dollery Clinical Pharmacology Training Award Fund	-	200,000	(12,000)	-	188,000
BPS Equality, Diversity and Inclusion Prize, sponsored by AstraZeneca	2,000	-	-	-	2,000
E-Learning for Healthcare "Prescribe" Initiative Fund	113,923	-	-	-	113,923
Prescribing Safety Assessment	164,601	101,936	(130,610)	25,000	160,927
Integrative Pharmacology Fund	-	-	-	-	-
Research Animal Sciences Education Ambassador Scheme	-	-	-	-	-
MRC Short Course in Translational Pharmacology Fund	18,612	-	(14,000)	-	4,612
Other prizes and awards	5,581	-	(1,250)	-	4,331
<b>Total Restricted funds</b>	<b><u>317,830</u></b>	<b><u>301,936</u></b>	<b><u>(159,948)</u></b>	<b><u>25,000</u></b>	<b><u>484,818</u></b>

	2021 £	2021 £	2021 £	2021 £	2021 £
Schachter Fund	2,588	-	(500)	-	2,088
Gary Price Fund	7,635	-	-	-	7,635
Paton Fund	3,390	-	-	-	3,390
Sir Colin Dollery Clinical Pharmacology Training Award Fund	-	-	-	-	-
BPS Equality, Diversity and Inclusion Prize, sponsored by AstraZeneca	3,000	-	(1,000)	-	2,000
E-Learning for Healthcare "Prescribe" Initiative Fund	113,923	-	-	-	113,923
Prescribing Safety Assessment	162,515	102,886	(125,800)	25,000	164,601
Integrative Pharmacology Fund	1,068	-	(1,068)	-	-
Research Animal Sciences Education Ambassador Scheme	29,394	-	(22,800)	(6,594)	-
MRC Short Course in Translational Pharmacology Fund	23,444	-	(4,832)	-	18,612
Other prizes and awards	5,581	2,000	(2,000)	-	5,581
<b>Total Restricted funds</b>	<b><u>352,538</u></b>	<b><u>104,886</u></b>	<b><u>(158,000)</u></b>	<b><u>18,406</u></b>	<b><u>317,830</u></b>

**FUND TRANSFERS**

The unrestricted general fund has been used to restore the prizes and awards designated fund back to £1m with a transfer of £48,232 (2021 £40,150). Additions to fixed assets totalling £54,546 have been funded by the unrestricted general fund (2021 £58,352). The unrestricted general fund also supports the Prescribing Safety Assessment with a transfer of £25,000 (2021 £25,000).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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21. STATEMENT OF FUNDS (CONTINUED)

**DESIGNATED FUNDS**

**World Pharma 2023**

The Society will be hosting the 2023 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.

**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.

**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**

**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.

**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.

**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.

**Sir Colin Dollery Clinical Pharmacology Training Award Fund**

This award provides a bursary to medical students undertaking an intercalated BSc in Pharmacology. The primary aim is to support the discipline of Clinical Pharmacology, which can be achieved by encouraging students to pursue Clinical Pharmacology as a specialty or by increasing basic pharmacology skills for students pursuing a career path within Industry.

**BPS Equality, Diversity and Inclusion Prize, sponsored by AstraZeneca**

The Society is committed to championing Equality, Diversity and Inclusion (EDI). This fund was established in 2020 to encourage our community to join us in this drive and to recognise efforts being made by members to create an equal, diverse and inclusive environment, within the candidate's institute, other organisations, or across institutes or organisations.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

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21. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS (CONTINUED)

**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.

**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.

**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.

**Research Animal Sciences Education Ambassador Scheme**

This fund which was established by both the British Pharmacology Society and The Physiological Society, supports consistency in undergraduate education related to the 'core' and 'experiential' learning outcomes established by the curriculum for the use of research animals.

**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.

**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.

**BRITISH PHARMACOLOGICAL SOCIETY**  
**REGISTERED NUMBER: 2877400**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**22. RELATED PARTY TRANSACTIONS**

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

One trustee of the British Pharmacological Society (C Williams) is also a director of ELRIG UK Limited with which the Society had a strategic alliance. During 2022 the Society generated income of £6,736 (2021: £8,924). The trustee declared their conflict of interest in all relevant meetings and did not formally vote in any Society Council decisions concerning the alliance.

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**Group**

	<b>Restricted funds 2022 £</b>	<b>Unrestricted funds 2022 £</b>	<b>Total funds 2022 £</b>
Intangible fixed assets	-	129,584	<b>129,584</b>
Tangible fixed assets	-	713,542	<b>713,542</b>
Investment in subsidiary	-	-	-
Fixed asset investments	-	3,520,828	<b>3,520,828</b>
Current assets	484,818	2,246,900	<b>2,731,718</b>
Creditors due within one year	-	(1,252,574)	<b>(1,252,574)</b>
Creditors due in more than one year	-	(50,302)	<b>(50,302)</b>
	<u><b>484,818</b></u>	<u><b>5,307,979</b></u>	<u><b>5,792,797</b></u>
	<b>Restricted funds 2021 £</b>	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Intangible fixed assets	-	116,036	116,036
Tangible fixed assets	-	719,504	719,504
Investment in subsidiary	-	-	-
Fixed asset investments	-	3,966,190	3,966,190
Current assets	317,830	2,461,742	2,779,572
Creditors due within one year	-	(837,182)	(837,182)
Creditors due in more than one year	-	(68,305)	(68,305)
	<u><b>317,830</b></u>	<u><b>6,357,985</b></u>	<u><b>6,675,815</b></u>

# British Pharmacological Society Group

Post-Audit Management Report  
Year Ended 31 December 2022

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# Post-Audit Management Report – British Pharmacological Society Group

We have completed the audit of British Pharmacological Society Group for the year ended 31 December 2022 and we expect to issue an unqualified audit opinion.

This report covers the findings from our audit, the scope of which was communicated to you prior to commencing the work. It includes some recommendations for improving the accounting and internal control systems as well as highlighting some future developments that may be of interest to the board.

We hope that the recommendations are practical and are able to be implemented. We would be grateful if you could discuss the points as a board and will welcome a written response. Please extend our thanks to Mike Poole, Amandeep Bhardwaj and Donna Walters for all their help with the audit.

If you have any concerns or questions arising from this report, please contact Neil Finlayson and Samir Chandoo.

Yours faithfully,

*Moore Kingston Smith LLP*

Moore Kingston Smith LLP

Date: 3 May 2023

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This report has been prepared for the sole use of the board of British Pharmacological Society and must not be shown to any third parties without our prior consent. No responsibility is accepted by Moore Kingston Smith LLP towards any third party acting or refraining from action as a result of this report.

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## Audit Approach - Risks

As outlined in our pre-audit Scoping letter dated 7 February 2023 our audit approach is based on an assessment of the audit risk relevant to the individual financial statement areas. Areas of risk are categorised according to their susceptibility to material misstatement, whether through complexity of transactions or accounting treatment. For each area we calculated a level of testing and review sufficient to give comfort that the financial statements are free from material misstatement.

In order that we were able to perform an appropriate level of audit testing, a figure of £129,580 was calculated at the planning stage for materiality.

The following table lists any risks identified at the planning stage and during the course of the audit, our approach to mitigate the risk and our conclusions from completing this work.

## Audit approach – Risks (continued)

Risk	Audit Approach	Conclusion
<p><b>Revenue Recognition</b> There is a risk that revenue is recognised in the wrong period. This is required to be treated as a significant risk under ISAs.</p>	<ul style="list-style-type: none"><li>• We reviewed any last minute adjustments to revenue, books and records for any unsupported or unauthorised adjustment to income, income cut off, credit notes issued after the year end.</li><li>• We obtained and reviewed deferred/accrued income reconciliations for any significant unexplained errors.</li><li>• We performed AR on income to see whether there were any unusual trends.</li></ul>	<p>Based on the sample audit work carried out we are satisfied that income recognition is materially correct.</p>
<p><b>Segregation of duties &amp; management override</b> The size of the finance team means there is an inherently increased risk that an individual could override control systems in place.</p>	<ul style="list-style-type: none"><li>• We reviewed journals for any unusual transactions, and conducted miscellaneous payments testing.</li><li>• We performed systems work and evaluated controls over the approval and processing of payments.</li></ul>	<p>For a sample of journal entries, journals appeared to be made for genuine reasons.</p> <p>Our audit work did not identify deficiencies in the controls in the processing of payments.</p>

## Audit approach – Risks (continued)

Risk	Audit Approach	Conclusion
<p><b>Going Concern</b>            There is a risk that the ongoing cost of living crisis and the Russia/Ukraine conflict and the reduction in Publishing income will have a material negative impact on the revenue, surplus and cash flows of the charity group and possibly on its ability to continue as a going concern.</p>	<p>Review forecasts and other information produced by Management to confirm the going concern status of the group after the assessment of the impact of the cost-of-living crisis and the reduction in Publishing income</p> <p>Need to assess the impact of the crisis and reduction in publishing income and the measures taken to contain it on the group and specifically its effect on its ability to continue in operation as a going concern for at least twelve months from the date of approval of the financial statements</p> <p>Consider the potential impact on revenue, expenses, supply chains and funding needs and consider what measures management have taken to mitigate the impact and how successful these measures are likely to be.</p>	<p>Based on the work performed we agree with the Trustees conclusion that there are no material uncertainties about the ability of the charity group to settle its debts as they fall due for at least 12 months following approval of the financial statements and therefore that it is appropriate to continue to prepare the financial statements on a going concern basis.</p> <p>We are satisfied that the disclosures in the trustees' report and financial statements with regard to use of the going concern basis are in accordance with sector guidance and best practice.</p>

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## Significant findings from the audit

We are required under International Standards on Auditing to request you to correct all misstatements identified during our audit, with the exception of those that are clearly trivial.

### **Corrected material misstatements and reclassifications**

Included on page 11 are the corrected misstatements and reclassifications that were identified during the course of the audit. Page 12 lists those corrected misstatements put through by management during the course of our work.

### **Uncorrected immaterial misstatements and reclassifications**

There are no uncorrected misstatements or reclassifications identified during the audit work.

### **Observations concerning the operation of the accounting and control systems**

No other matters concerning the operation of the accounting and control systems need to be brought to your attention. We have, however, included an assessment of the extent to which our previous recommendations have been implemented.

We look forward to receiving your responses on the points raised.

Due to the nature of an audit, we may not have identified all weaknesses within the accounting and internal control systems which may exist, and the contents of this section of our letter and any items disclosed in this report should not therefore be taken as a comprehensive list of such weaknesses.

### **Management Representation Letter**

A draft of our proposed management representation letter has been sent to you under separate cover. All of the matters included in this letter on which we seek the Trustees' formal confirmation are in respect of routine matters.

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## Operating of the accounting and internal control system

We are required to report to you in writing, significant deficiencies in the internal control environment that we have identified during the course of our audit. These matters are limited to those which we have concluded are of sufficient importance to be reported to you. Our audit cannot necessarily be expected to disclose all matters that may be of interest to you and, as a result, the matters reported may not be the only ones which exist. As part of our work, we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

We have categorised the internal deficiencies noted via a colour-scale rating system. The key to which follows:



We consider this to be of critical importance and would recommend that it is addressed as a matter of urgent priority




The control should be strengthened to enhance operational efficiency but we do not consider this to be an urgent priority



This is provided for either information only or we do not consider there to be a risk of material loss

## Operating of the accounting and internal control system

Current year observation	Recommendation	Management Response
 <p>Post year end Sage postings are held in a deferred postings section until the audit has ended. This prevents us from running complete and accurate post year end reports and makes cut off difficult to assess.</p>	<p>Posting of transactions should not stop just because of the audit process as there could be transactions which require to be accrued for, ensuring the accuracy of cut off.</p>	<p>Although these transactions are held within a “deferred postings” section they are effectively as good as posted as they cannot be edited or adjusted via use of the Sage financial software.</p> <p>In future years, we will look to change the timing of the actual year end procedure, in Sage 200, to enable this audit testing to be undertaken.</p>

## Audit corrected misstatements and reclassifications

Description	Balance sheet		SOFA		Effect on Net Surplus
	Dr	Cr	Dr	Cr	(Dr)/Cr
<b>Consolidated Accounts</b>					
Other debtors		894,613			
Accrued income	894,613				NIL
<i>Being the reclassification of the Wiley debtor to accrued income</i>					
<b>Overall impact on Net Surplus</b>					NIL

## Client corrected misstatements and reclassifications

Description	Balance sheet		SOFA		Effect on Net Surplus
	Dr	Cr	Dr	Cr	(Dr)/Cr
<b>Consolidated Accounts</b>					
Other taxation and social security		31,543			
Intercompany balances	31,543				NIL
<i>Being the reclassification of BPSA and BPS TS VAT balances.</i>					
Journal publishing costs				4,322	4,322
Accrued income	4,322				
<i>Being the adjustment for final draft of Wiley income figures</i>					
<b>Overall impact on Net Surplus</b>					<b>4,322</b>

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# Sector Updates

## CHARITIES ACT REFORM

Through the Queen's speech on the 11th of May 2021, the government announced reforms to the Charities Bill that will have the effect of reducing the amount of bureaucracy faced by charities. This became law on 24th February 2022 and the Charities Act 2011 is now the Charities Act 2022. The provisions will be implemented on a staggered basis to allow time for the Charity Commission to update its guidance – see the last page of this sector update point.

The main elements of the Charities Bill, which covers charities in England and Wales, will include:

**Financial Thresholds** - Charity reporting requirements vary according to thresholds that currently exist. It is proposed that these should be reviewed regularly to reflect inflation. This would prevent an increasing number of smaller charities becoming subject to stricter requirements, or acquiring powers, which are not appropriate to their size. The Charity Commission aim to review these in 2022 and every 10 years thereafter.

**Changing purposes and amending governing documents** - Charities should be able to make changes as quickly and efficiently as possible, whilst retaining safeguards to ensure that any amendments are in the best interests of the charity and its beneficiaries.

The processes for amending a charity's governing document vary according to the charity's legal form. The Law Commission's recommendations would simplify those processes and align them across the different types of charity. They would also simplify the criteria which the Charity Commission considers when agreeing significant changes.

**Cy-près schemes and the proceeds of fundraising appeals** - Some charity fundraising appeals raise too much, or too little, money to achieve the appeal's aim. The current law requires charities to contact donors to offer to return their

donation if a fundraising appeal does not achieve its target. The effort to do this can be disproportionate to the size of the individual donations. A £120 threshold (per donor) has been recommended to strike a fair balance between protecting the donors and reducing the administrative burden on a charity.

**Acquisitions, disposals and mortgages of charity land** - The law governing how charities dispose of land requires charities to follow certain rules when they sell, let or mortgage their land. They have agreed to simplify these including how certain universities and colleges dispose of land, aligning it with broader charity and trust law. This includes extending the range of specialist advisers able to provide advice.

**Permanent Endowment** – In an effort to reduce bureaucracy and costs the definition of a permanent endowment is to be reformulated to remove its inconsistencies and lack of clarity. The move to a £25,000 threshold to enable more endowments to be released will be welcomed and the power to spend 25% of the endowment with a 20-year repayment period (without approaching the Charity Commission first) will serve as valuable tools for Trustees.

**Remuneration for the supply of goods and the power to award equitable allowances** - The Act should be updated to allow Trustees to be remunerated for services and goods (currently they can only be remunerated for services). The Charity Commission should have a statutory power to award equitable allowances in situations where charity trustees must account for a benefit that they have received in breach of fiduciary duty.

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## Sector Updates

**Non-Statutory Ex gratia payments out of charity funds** - The introduction of a new statutory power allowing trustees to make small ex gratia payments without having to obtain the prior authorisation of the Charity Commission, the Attorney General or the court; this will apply to ex gratia payments of up to:-

- (a) £1,000, in the case of a charity with a gross income in its last financial year of up to £25,000;
- (b) £2,500, in the case of a charity with a gross income in its last financial year of more than £25,000 and up to £250,000;
- (c) £10,000, in the case of a charity with a gross income in its last financial year of more than £250,000 and up to £1 million; and
- (d) £20,000, in the case of a charity with a gross income in its last financial year of more than £1 million.

**Charity and Trustee Insolvency** - Managing a Charity's finances (CC12) should be revised. There are recommendations to provide more clarity over the availability of trust property. Property included within permanent endowments, special trusts or restricted funds, which can meet the liabilities of an insolvent trustee, is no different whether the trustee is an individual or a charitable company.

**Charity Names** – The Charity Commission already has a framework that enables it to take steps to protect charities from confusion arising from other charities with duplicated or very similar names. This would be extended to cover “working names” of charities as well as the main name of the charity and would extend the Charity Commission's powers to issue directions on charity names to unregistered and exempt charities.

**The identity of a charity's trustees** - The Charity Commission is to be given the power to ratify retrospectively the appointment or election of a person to a charity trustee role.

**The Charity Tribunal and the courts** - The Charity Tribunal should be given the

power to make “authorised costs orders” in respect of proposed or ongoing Tribunal proceedings that would provide charity trustees with advance assurance that 1) costs already incurred or proposed to be incurred; and 2) costs ordered to be paid if the litigation is unsuccessful; can properly be paid from the charity's funds.

This review was to address the issues raised by Lord Hodgson in 2012 and is considered by some as long overdue. Whilst we welcome these changes they will only be implemented if Parliamentary time allows for it.

The full government response to the Law Commission review of the Charities Bill can be found here: <https://www.gov.uk/government/publications/government-response-to-law-commission-report-on-technical-issues-in-charity-law/government-response-to-the-law-commission-report-technical-issues-in-charity-law>

The Charities Act 2022 can be viewed here: <https://bills.parliament.uk/bills/2877>

# Sector Updates

## Charities Act 2022 implementation plan

*This plan explains how the Department for Digital, Culture, Media and Sport will implement the Charities Act 2022*

Provisions of the Act expected to come into force Autumn 2022	Provisions of the Act expected to come into force Spring 2023	Provisions of the Act expected to come into force Autumn 2023
<b>Section 4:</b> Power to amend Royal Charters	<b>Sections 9-14 and 35a:</b> Permanent endowment	<b>Section 1-3:</b> Charity constitutions
<b>Section 5:</b> Orders under section 73 of the Charities Act 2011	<b>Sections 17-23:</b> Charity land	<b>Section 29:</b> Powers relating to appointments of trustees
<b>Sections 6 and 7:</b> Cy-près powers	<b>Section 24 and Sch 1:</b> Amendments of the Universities and College Estates Act 1925	<b>Section 31:</b> Remuneration etc of charity trustees etc
<b>Section 8:</b> Power of the court and the Commission to make schemes	<b>Sections 25-28:</b> Charity names	<b>Sections 33-35:</b> Charity mergers
<b>Sections 15 and 16:</b> Ex gratia payments	<b>Section 38 and 39:</b> Connected persons	<b>Section 37:</b> For remaining purposes
<b>Section 30:</b> Remuneration of charity trustees etc providing goods or services to charity	<b>Part of Section 40 and Schedule 2:</b> Minor and consequential amendments	<b>Section 40 and Schedule 2:</b> For remaining purposes
<b>Section 32:</b> Trustee of charitable trust: status as trust corporation		
<b>Section 36:</b> Costs incurred in relation to Tribunal proceedings etc		
<b>Part of Section 37:</b> Public notice as regards Commission orders etc.		
<b>Part of Section 40 and Schedule 2:</b> Minor and consequential amendments		

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## Sector Updates

### Cyber Defences for Charities – Cyber Essentials accreditation

Confidentiality of information in Charities has always been of paramount importance. A breach affecting records of its data which could involve donors, children, ethnic and religious categories is typically very serious and would invite increased regulatory and public scrutiny with potential severe financial penalties. Uncontrolled disclosure of any sensitive information could severely undermine the trust and confidence of the public engaged with them, as well as compliance issues within the governing structure.

Furthermore, reflecting the general pervasiveness of technology in our lives, charities are much more reliant on IT to both process data, marketing and financial information. An IT outage affecting the computer system may, within quite a short time frame, affect the charity to operate.

The security threat from the simple use of e-mail and the web is very real, with phishing and ransomware attacks commonplace in today's internet-connected world. Successful cyberattacks range from the theft of sensitive information to long-term disruption to the operation of IT systems.

Maintaining a minimum level of cyber compliance across a Charity's IT infrastructure is therefore absolutely key to not falling victim to a cyberattack. As technology constantly evolves becoming more ingrained into daily life, it is often difficult to know what this minimum level looks like in practice. The technical capabilities to strengthen cyber security defences is not always internally available within the Charity. For Trust Governors, it can be challenging to determine whether the Charities its infrastructure is adequately protected against the omnipresent threat of a cyberattack.

This issue facing the sector and other organisations across the country led to the UK Government introducing the Cyber Essentials scheme. The scheme is

designed to protect organisations against 80% of the most common cyber-attacks which can impact businesses of all sizes, industries, and sectors. The 5 controls within the Cyber Essentials scheme are designed to protect your organisation against these types of cyber-attacks and guard your internet connection, devices, data and services.

The government overview: <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

Basic Level Cyber Essentials is a self-assessment and provides a basic level of assurance that the controls have been implemented correctly by the organisation. Cyber Essentials Plus covers the same requirements but is based on an on-site audit and therefore provides independent assurance of the effectiveness of these controls.

### How can Moore Kingston Smith help you?

Moore Kingston Smith offer Cyber Security and Data Protection solutions which includes Cyber Essentials, Penetration Testing and Auditing along with GDPR and outsourced Data Protection Officer Solutions to ensure that your charity can demonstrate compliance.

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## Sector Updates

### Investment Guidance

The Charity Commission has been reviewing the way it encourages charities to invest in a responsible way. How charities weigh up the need for financial return vs investing ethically and reducing carbon emissions is tricky and Charities have been awaiting updated Guidance from the Charity Commission (following its CC14 consultation and feedback in late 2021 and then a delay to its proposed updates) alongside ESG concepts developing in the NonProfit sector.

In the absence of anything forthcoming, the High Court ruling with the Ashden Trust and The Mark Leonard Trust has confirmed that climate change can be prioritised even if it risks the financial return.

In the Butler-Sloss & Others v Charity Commission (2022) case, the judgement handed down provided clarity in relation to the extent to which charity trustees can permit their objects and wider moral considerations to influence their investment policy. As a result, charities can exclude investments that conflict with their objects – proving the decision is entered into in a proper manner. However, the judge advised against making decisions purely on moral grounds.

Trustees of charities have, in most instances, always tried to review their investment decisions in conjunction with their charitable aims and continue to manage the balancing act with the need to produce investment returns.

Whilst most charities will await the revised guidance from the Charities Commission (and we expect the consultation feedback exercise to restart shortly), Trustees must remember that they are required to act in the best interests of the charity and they should formulate an appropriate investment policy which should deal with direct and indirect conflicts within their

investment portfolio.

### Property

Sustainability is on the agenda and charities should be reviewing their estates and planning for steps that will make properties more sustainable, so that your Energy Performance Certificate (EPC) ratings are as good as they can be. Below par EPCs will restrict what you can do with your property and advice should be sought on how to improve EPC ratings – especially if your property is listed.

The Building Safety Act has brought in some new and strengthened safety measures in response to the Grenfell Tower fire. There are new rules on carbon monoxide alarms in relation to tenancies.

The MKS Property team can provide further assistance in these areas if you require.

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## Sector Updates

### **CORPORATE CRIMINAL OFFENCE - FAILURE TO PREVENT THE FACILITATION OF TAX EVASION**

#### **Your legal obligation**

All corporate bodies (including charitable companies), regardless of size, have a legal obligation to ensure that 'reasonable prevention measures' are in place to prevent employees and other associates (for example, sub-contractors) criminally facilitating tax evasion while acting on behalf of the organisation. If an associate is discovered to have criminally facilitated another's tax evasion while acting on behalf of the company, the company is criminally liable to unlimited penalties unless the defence can be mounted that reasonable procedures were in place to prevent the criminal facilitation from occurring.

#### **Obtain peace of mind and undertake a risk assessment**

A risk assessment is fundamental to responding to the legislation. If the risk of criminal facilitation of tax evasion is assessed to be low, it may be that no significant additional measures are required. However, without having undertaken and documented a risk review or notified employees of what constitutes criminal facilitation, companies may struggle to mount such a defence.

HMRC has the power to issue unlimited fines for companies that fail to prevent the facilitation of tax evasion.

#### **Compliance is key**

Although company directors should naturally be focused on the potential for any form of criminal prosecution as a matter of course, simply being able to demonstrate awareness of and compliance with the regime is becoming increasingly important, with this now being routinely examined as part of the

due diligence process in sales transactions. Governance boards and non-executive directors are also requiring assurance on compliance as part of their work. Therefore, it is essential that companies adopt a proactive approach to risk management and employee communication. It is worth noting that the new remote way of working could give rise to an increased opportunity for associates to facilitate tax evasion.

#### **Our pragmatic approach**

We can assist the company with a bespoke, and cost effective risk assessment in order to comply with the legislation. Should this be of interest, please contact Andrew Stickland.

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## Sector Updates

### Fraud in the Charity Sector

Fraud in the charity sector is unfortunately at an all-time high, with recent estimations being a loss of £2.3bn annually to the UK Not for Profit sector (an increase of some £400m from estimates shared in 2016). Alongside our own Moore Kingston Smith specialists in this area, the sector is beginning to develop a suite of tools, guides and blogs which are worth a visit to ensure your Charity is aware of the key fraud considerations, potential pitfalls and suggested controls:

The Fraud Advisory Panel (a registered charity and independent voice of the anti-fraud community) - <https://www.fraudadvisorypanel.org/>

10 questions every Trustee should ask about Fraud and suggested policies - <https://www.gov.uk/guidance/protect-your-charity-from-fraud>

The National Cyber Security Centre - <https://www.ncsc.gov.uk/news/advice-thwart-devastating-cyber-attacks-small-charities>

Action Fraud for reporting - <https://www.actionfraud.police.uk/>

This area is notoriously fast moving, with new areas of attempted fraud arising daily, but some of the prevalent current frauds and potential controls to protect your charity from these, include:

#### “Supplier mandate fraud”

Contact is made from a “supplier” employee who is noting (either by phone or official headed notepaper) a change of bank details. The bank details are fraudulent.

*Control to mitigate the risk* – review and approval of all standing data supplier

changes and calls to confirm BEFORE updates processed.

#### “Batch supplier duplication”

An example of an internal fraud – the details of a supplier are duplicated onto the system and the duplicate given the fraudulent parties bank details. “Real invoices” are paid twice, hidden in the batch run, once real and once fraudulent.

*Controls to mitigate the risk* – Approval of new suppliers and monthly management accounts reviews. The additional payment debit will need to be either to a balance sheet code or will be seen through an inflated expense code on the SOFA.

#### “Fraudulent staff/temp staff costs”

The fraudulent party continues to pay staff after they have left (using updated fraudulent bank details), enrolls ghost employees for payment or processes fake invoices through “busy” nominal codes such as temp staff costs.

*Controls to mitigate the risk* - This fraud is almost always discovered through a review of management accounts vs budgets. Preventive controls would include approval of staff detail changes and “lock down” on leavers details in a timely fashion.

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## Sector Updates

### “Email takeover”

An internet based fraud that is expanding rapidly (and becoming more sophisticated). The finance team receive an email “from” the FD/CEO usually late afternoon, indicating they have forgotten to pay a key supplier and it should be paid immediately.

The email is fraudulent and so are the bank details given.

*Controls to mitigate the risk* – Communication by phone or face to face to confirm details. Do not allow payments to supplier details that do not match those saved on the standing data.

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# Sector Updates

## Employment Sector Updates

2023 is expected to be an important year for employment law.

2022 proved a bit of a disappointment when the long-awaited Employment Bill, which was supposed to implement the remaining parts of the Good Work Plan, did not make it to the Queen's Speech. This prompted questions about when, if at all, the remaining elements of the Good Work Plan would be implemented. However, many of the provisions that were expected to be included in the Employment Bill have now been introduced into the House of Commons via private members bills and have received Government backing.

Many other developments are also on the horizon, including a new ACAS Code for firing and rehiring of employees,

### Holiday Pay for Part Year Workers

The landmark Supreme Court case of *Brazel v Harpur Trust* meant that part-year workers on permanent contracts must receive the full 5.6 weeks of paid annual leave per year regardless of the number of weeks they have worked in the leave year and that holiday pay for workers on irregular hours must be calculated using an average of their ordinary remuneration over a 52-week reference period. The Government, concerned that holiday entitlement should be proportionate to hours worked, is consulting about holiday and pay. In particular, the consultation moots the idea of returning to the old method of calculating holiday entitlement and pay using a multiplier of 12.07%.

### Employment Bill 2022 – Private Members Bills

Although the Employment Bill did not make it to the Queen's Speech, private members' bills were introduced in Parliament, which aim to implement parts of the Employment Bill. These private members bills have all received government backing, which increases their chances of making it onto the statute books.

- Legislation to require employers to pass on all tips and gratuities to workers and to ensure that these were distributed on a fair and transparent basis, supported by a statutory Code of Practice;
- A new right for workers to request a more predictable contract after 26 weeks' service;
- An amendment to the Equality Act 2010 to require employers to take all reasonable steps to prevent sexual harassment of their employees and make employers liable for third party harassment with a potential uplift in compensation for failure to comply with the duty to take all reasonable attempts to prevent harassment.
- An extension to the period of redundancy protection for pregnant workers from the point when an employee notifies their employer of their pregnancy until 6 months after the end of their maternity leave and additional rights for employees on other types of family friendly leave, although the details of those new rights are not yet known;
- New rights to neonatal leave and pay and a week's leave for unpaid carers;
- Making flexible working a day one right instead of having to wait 26 weeks to be able to request it, introducing a new obligation for employers to consult with employees regarding flexible working requests, reducing the decision period from 3 to 2 months, allowing two requests per annum instead of just one and reducing the requirement for employees to explain to employers the potential impact on the business of a flexible working request.

### UK's withdrawal from the European Union

The Retained EU Law (Revocation and Reform) Bill 2022-2023 was introduced into the House of Commons in late 2022. It aims to change the expected approach of reviewing and amending retained EU law slowly via legislation or case law deviating from EU rulings, allowing the UK to enact laws that best fit the country and its economy and setting a date of 31 December 2023 for the special legal status of EU law to come to an end. This date is subject to extension until 2026.

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## Sector Updates

If passed, many EU retained laws could be in scope to either lapse by default on the 'sunset date' or be retained, potentially with amendments. It is not known what EU retained laws government may allow to sunset, keep in their entirety or change but there are thousands of EU retained laws potentially in scope and, if the aim is to grow the economy and make it more business friendly, the TUPE Regulations, the Working Time Regulations and the Agency Workers Regulations would appear to be possible candidates. We will keep you updated as developments occur.

### Menopause Discrimination?

The government has said that it does not plan to make menopause a specific protected characteristic because their view is that it is already covered by sex, age and disability discrimination. However, a July 2022 report by the House of Commons Women and Equalities Committee has recommended that it become a protected characteristic, so we will watch out for any further developments in this area. Employers may however wish to consider drawing up menopause policies if they do not already have one.

### IR35 Reforms Cancelled

IR35 is a tool used by HMRC to ensure that individuals do not disguise employment / work as contracting in order to avoid tax. The Government had planned to reverse controversial reforms, which would have led to less contractors being caught by the regime, but this was reversed following the market reaction to the government's October 2022 mini-budget.

### Diversity and Inclusion

Efforts to improve diversity and inclusion are very much on the corporate agenda and are expected to remain so in 2023. The Government had consulted about whether to make ethnicity pay gap reporting compulsory in the same way as gender pay gap reporting is for companies with over 250 employees, but it was decided that this would remain voluntary, at least for the time being. The government plans to issue guidance for employers about this and therefore employers may wish to await this guidance before publishing ethnicity pay gap reports.

In the case of *Forstater v CGD Europe*, the Supreme Court decided that an employer discriminated against an employee by not renewing her fixed term contract because she had expressed her belief that individuals cannot change their biological sex. However, in the case of *Makareth v DWP*, it was decided that there was no discrimination where an employee was dismissed for expressing similar views because he had indicated that he did not intend to use peoples' preferred pronouns, thus showing that he had an intention to discriminate.

Balancing the legal rights between employees' freedom to express opinions that may be offensive with diversity and inclusion is an extremely difficult exercise and we expect cases like this to be a growth area in employment disputes in the coming years.

### Employment Tribunal Claims

Tribunal statistics have not been published for some time because the data is being migrated onto a new system. However, it is now reported that cases are taking an average of 49 weeks from the date an employee brings a claim to get to their first hearing, which suggests that cases are very much on the rise. We would expect that trend to continue.

### Statutory Code to regulate fire and rehire practice

The Government plans to publish a new statutory code on 'firing and rehiring'. This is where an employee dismisses staff with a view to offering them re-engagement on less generous terms and conditions. Whilst there is nothing unlawful about this, the government is concerned that unscrupulous employers may not be complying with the legal requirement to consult with affected staff before taking such extreme measures. The draft Code of Practice has now been published and the Government is consulting about it. There is therefore no implementation date for the statutory code but, once implemented, Employment Tribunals will have a discretion to uplift any compensation by 25% in the event of a successful claim.

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## Sector Updates

### Does your Charity have a bullying and harassment policy?

The Charity Commission published new guidance for Charities on 11 August 2022, clarifying the roles and responsibilities of charity trustees in relation to tackling bullying and harassment within Charities.

The Commission's guidelines included a specific recommendation that charities have welfare, discipline and whistleblowing policies for staff, including clear policies and procedures on bullying and harassment.

Bullying and harassment in the workplace can affect staff morale, allow unacceptable behaviours to take place and ultimately expose charities to the risk of employment tribunal claims.

Specific claims risks to charities for not taking appropriate action to eliminate bullying and harassment include:

- Employees resigning and claiming constructive unfair dismissal on the basis of the bullying and harassment and any failure by the charity to deal with it appropriately
- Discrimination claims if the bullying and harassment is on account of any characteristic that is protected by the Equality Act 2010 e.g., race, gender, disability, religious and philosophical beliefs
- Civil claims for personal injury (stress at work) and/or under the Protection from the Harassment Act 1997

There is a risk that any failure by charities to implement the Charity Commission's guidance could in itself be relied upon by employees to bolster any claims they may bring.

Charities should ensure that they have the recommended policies and procedures in place and provide regular training to staff about their obligations under these policies. This will help eliminate bullying, demonstrate commitment to doing so and also reduce any risk of claims and regulatory issues.

The policy should, at a minimum, set out the types of behaviour that could be bullying and harassment, explaining clearly the process for making allegations of such behaviour, the process that the company will follow upon receipt of such allegations and the potential consequences for workplace bullies.

### What other policies should charities have in place?

There are other key policies and procedures that charities can implement in order to demonstrate their commitment to treating employees fairly and tackling bullying and harassment.

For example:

- A welfare policy
- A grievance policy
- A raising concerns policy relating to specific types of complaints that have a wider public interest
- A disciplinary policy

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## Sector Updates

- An equality and diversity policy

These policies, if well drafted, give both parties valuable information about their rights and responsibilities and also give a charity a useful action plan for how to handle any issues that might arise and any timescales that they need to comply with.

In addition, having these policies in place and ensuring that staff receive training on them may give the charity a defence to a claim that they are liable for the acts or omissions of an employee who 'goes rogue' and bullies or discriminates against an employee against company instructions.

These do not have to be standalone policies - they can be included in a Staff Handbook. It is recommended that you do not make them contractual to eliminate the risk of employees claiming that technical breaches of the policies e.g., a missed deadline for responding to a letter, is a breach of contract.

We recommend that charities audit their policies and procedures to ensure that all of the required and helpful policies are in place and updated regularly to comply with the most relevant legal developments.

Should you require any assistance with reviewing, drafting or updating your policies to help you eliminate bullying and harassment and reduce your claims risk, please contact your Audit Engagement Partner.

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## Sector Updates

### **OFF PAYROLL WORKING: What you need to know following the cancellation of the rules**

Following the governments recent “mini-Budget”, it was announced that the off-payroll working rules are to be cancelled.

These rules were introduced in 2017 for public sector organisations and in 2021 for medium and large private sector organisations. Organisations subject to the rules are responsible for determining if an engagement contract falls inside or outside of IR35, i.e. determining the employment status of contractors that provide services to them through personal service companies and – if these contractors are working as if they were employees – for ensuring PAYE and NICs are accounted for on this basis.

**From 6 April 2023**, this IR35 obligation will move away from end-users of contractor services and back to the contractor’s personal services company, i.e. a return to the “old” IR35 rules.

Putting aside the considerable cost and time invested by many organisations to set up systems and processes to comply with the off-payroll working rules, this announcement will be welcome news for organisations that rely on a contractor workforce, for whom the rules have presented a significant challenge over the past few years. However, organisations still have plenty to consider when engaging with contractors and should understand how they will be impacted by these changes.

- Organisations subject to the off-payroll working rules at present must continue to apply the rules until 5 April 2023. HMRC still has the powers to perform compliance checks to ensure that the rules have been complied with and are likely to feature in future PAYE compliance review and penalties will still be imposed.

- A common response to the off-payroll working rules was to hire all workers as employees or engage with contractors employed by umbrella companies. This may no longer be the most appropriate hiring model.
- Organisations will still be responsible for assessing employment status for tax regarding contractors hired directly (i.e. not via an intermediary such as a personal services company) and subject payments to contractors to PAYE/NIC in a payroll if they are determined to be employees.
- Some status determinations will still be required when engaging with contractors using intermediaries. HMRC treats office holders (e.g. statutory directors, non-executive directors) as employees for tax purposes, even if engaged via an intermediary.
- The off-payroll working rules take precedence over the construction industry scheme (CIS). From 6 April 2023, organisations subject to CIS should ensure that the CIS rules are applied.
- Other legislation relevant to hiring workers, such as managed service company rules and agency legislation, remain in place.

There are still plenty of rules to navigate for organisations when engaging with contractors to ensure compliance, even beyond 6 April 2023.

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## Sector Updates

### Renewing Contracts on a Regular Basis

Employers cannot safely dismiss a fixed term employee just because the contract comes to a natural end if they have renewed the contract for two or more years, without a break of more than two weeks in between contracts.

Many charities benefit from regularly engaging staff on a temporary basis to fulfil functions, whether as a consultant, on a fixed term contract, or temporary staff.

Whilst this can be beneficial for the short term, it is important to bear in mind that hiring employees on this basis means that they accrue service and, after two years, they could gain full employment rights.

Employers should be aware that renewing contracts for longer than 2 years' would also lead to an obligation to follow a formal dismissal process, showing there is a fair reason for not renewing the contract. Failure to do so could lead to claims of unfair dismissal being brought at Tribunal.

A break in between fixed term employment contracts of at least two weeks can reduce employers' risks, breaking continuous service so the next contract is fresh employment instead of continuation of the previous employment.

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## Other matters

### **Engagement & Independence**

Our engagement objective was the audit of the British Pharmacological Society group

We have implemented policies and procedures to meet the requirements of the Financial Reporting Council's (FRC) Ethical Standards. To this end we considered our independence and objectivity in respect of the audit for the period under review before commencing planning our audit and communicated with you on these matters in our audit scoping report dated 7 February 2023.

No other matters have come to our attention during the audit which we are required to communicate to you and the safeguards adopted were as described in our audit scoping report.

### **Qualitative aspects of accounting practices, accounting policies and financial reporting**

Based on our audit work performed, we believe that the Trustees' Report and financial statements for the period under review comply with United Kingdom Accounting Standards (FRS 102), the Charity SORP, the Charities Act 2011 and the Companies Act 2006.

During the course of our audit of the financial statements for the period under review, we did not identify any inappropriate accounting policies or practices.

### **Matters specifically required by other Auditing Standards to be communicated to those charged with governance**

Other than as already explained in our Engagement Letter, Audit Scoping

Report and this Post-Audit Management Report, there are no other specific matters to communicate as a result of our audit of the financial statements under review.

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