

**REGISTERED COMPANY NUMBER 2424922
REGISTERED CHARITY NUMBER 802178**

**NPA HEALTH EDUCATION FOUNDATION
(A company limited by guarantee)**

Report of the Trustees and Financial Statements

Year ended 31 December 2020

**NPA Health Education Foundation
(A company limited by guarantee)**

Financial Statements for the year ended 31 December 2020

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NPA Health Education Foundation
(A company limited by guarantee)

Directors and Trustees

Ian Cubbin, BSc(Pharm), FRPharmS, PhD
Philip Galt, BPharm, MRPharmS, MBA
Michael Guerin, BSc, MPS(NI)
Nicholas Kaye, BPharm, MRPharmS

Company Secretary

Janet Misson (*deceased 6th July 2021*)

Honorary Patrons

Gerald M Alexander, BSc, FRPharmS
Wally F Dove, BPharm, FRPharmS
James Wood, MPharm, FPharmS, MIPharmM

Registered Office

Mallinson House
40-42 St Peter's St
St Albans
Hertfordshire
AL1 3NP

Company number

2424922

Charity number

802178

Independent Examiner

Alexander J Bell FCA
Mercer & Hole Chartered Accountants
Batchworth House
Batchworth Place
Church St
Rickmansworth
Hertfordshire
WD3 1JE

Bankers

HSBC Bank plc
31 Chequer Street
St. Albans
Hertfordshire
AL1 3YN

Investment Manager

Meridian Asset Management
P.O.Box 22
9 Castle Street
St Helier
Jersey
JE4 OXN

NPA Health Education Foundation is registered as a charity, number 802178 and is referred to throughout these accounts as a charitable Company rather than as a company.

**NPA Health Education Foundation
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Trustees' Annual Report (Including Directors' Report and Strategic Report) for the year ended 31 December 2020

The Trustees present their report together with the unaudited financial statements of the Charity for the year ended 31 December 2020. The Trustees have adopted the provision of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS102) in preparing the annual report and financial statements of the Charity.

Trustees of the Charity

The Directors of the charitable company are the Trustees for the purpose of charity law. The Trustees who have served during the year and since the year end are listed on page 2.

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 21 September 1989 and registered as a charity. The Company was established under a Memorandum of Association which established the objects and powers of the Company and is governed under the Articles of Association. In the event of the Company being wound up members are required to contribute an amount not exceeding £1.

Charity Objectives and Activities

The objectives of the Foundation remain the relief of sickness and the preservation and protection of health by advancing public education in the prevention and proper treatment of disease and ill health by the correct use of medicines and other forms of therapy. The Charity offers hardship funds for students undertaking pharmacy qualifications. In addition the Charity awards bursaries for community pharmacy practice research. There have been a limited number of requests for assistance from pharmacists over the year and the charitable Company intends to continue to promote its work to ensure that access to the annual funds allocated are more generally known.

Public Benefit Statement

The Trustees have complied with the duty in s.4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. In meeting the aims detailed above the Charity awards annual bursaries into community pharmacy research and supports students with hardship funds in order to complete their pharmacy qualifications. All our work is ultimately directed towards the benefit of the general public in providing enhanced health services through community pharmacy.

Strategic Report

Achievements and Performance

The Charity's performance for the year was impacted by the fall in the stock market which led to unrealised losses of £134,111. The Charity benefitted from investment income of £34,834 although it did not make any bursary payments in the year. Certain administrative costs of the Charity are borne by the National Pharmacy Association Ltd.

The portfolio was hit hard by the Covid -19 pandemic in the first quarter of 2020 and was not able to make up the lost ground during the remainder of the year, although it finished with a very strong performance in the fourth quarter of the year. The portfolio is structured to provide an income sufficient to fund the bursaries which are distributed and, of necessity, the portfolio comprises largely UK based value stocks. The lockdown and resulting sharp economic recession which occurred in 2020 hit value stocks hard and some of the companies held in the portfolio reduced or omitted their dividends. However, news of the successful vaccine trials last November marked a sharp turnaround in sentiment towards value stocks and the recovery which started in the fourth quarter of 2020 has followed through in the first quarter of 2021, which was a strong one for the portfolio. The world economy is recovering more quickly than expected so far this year and the UK is likely to be one of the best performers as a result of being one of the first countries to roll out its vaccination programme. With fixed interest yields being very low and vulnerable to an increase in interest rates, the value orientation of the portfolio fits in well with likely economic prospects.

Directors and management committee

The Board of Directors and Management Committee are appointed by the members of the charitable company. Only members of the charitable company are eligible to so serve. The Directors act as trustees for the charitable activities of the charitable company.

In accordance with the charitable company's Articles of Association, all of the business and affairs of the charitable company are managed by the Management Committee. The Articles of Association place no restrictions on the investment powers of the Management Committee.

Risk management

The Trustees believe that adequate controls are in place given the size and complexity of the Charity. Internal control risks are minimised by the implementation of procedures for the authorisation of all transactions and payments. Investments are kept in segregated client accounts and managed in accordance with the investment policy. The key financial risk to the charitable company is market risk through the charitable company's holding of equities. These equities are diversified over a number of companies and industries in different geographical locations. This policy of diversification is used to manage the Charity's market risk. Monthly investment reports are reviewed by the Trustees.

Reserves policy

The Charity's reserves are unrestricted and are required to meet working capital requirements and to make charitable donations from income generated from the reserves. The present level of reserves is adequate for this purpose. The level of reserves has seen a decrease in the year primarily due to unrealised investment losses. It is anticipated that there will be long-term gains in the coming years through improved performance and initiatives to raise income. The reserves balance held at the year end totalled £1,130,638.

Investment powers, policy and performance

The investment policy is to provide a level of income sufficient to provide for the bursaries awarded by the Trust consistent with long term capital growth to protect and, if possible, enhance the real value of the portfolio and the income which it produces. This is provided largely by investment in UK and overseas equities, together with exchange traded funds and open and closed ended funds covering the UK, a modest exposure to overseas equities, directly and through open and closed ended funds and UK fixed interest through an open ended bond fund.

Until a significant demand is seen on the funds it is the intention of the Board to keep the charitable company's funds invested in equities for long term growth to achieve returns above the level of inflation.

Recruitment and Appointment of Management Committee

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Managing Committee. The charity trustees are appointed to the Managing Committee from the Board of the National Pharmacy Association. The Managing Committee in accordance with the Articles shall comprise no less than four and no more than ten trustees. The Managing Committee in accordance with the Articles is entitled to appoint a President and one or more Honorary Patrons.

All members of the Managing Committee give their time voluntarily and receive no benefits from the charity.

The traditional business and pharmacy skills are well represented on Managing Committee. In accordance with the Articles, to ensure an appropriate skill set is available to maintain oversight of the investment portfolio the Managing Committee has appointed an Honorary Patron.

No Trustee had any beneficial interest during the year in the charitable company.

Trustee Induction and Training

There is no requirement for training as all members of the Managing Committee are registered pharmacists. An induction for new trustees is carried out by members of the Managing Committee to familiarise them with the current activities of the charity and its modus operandi.

Organisation Structure and Company Secretary

The Managing Committee of the Charity meet when required, currently quarterly, and are responsible for the strategic direction and policy of the charity. At present the Committee has four trustees and in addition three honorary patrons. It is with great sadness that the Trustees announce that Janet Misson, the Company Secretary, sadly passed away on 6th July 2021. The Trustees wish to acknowledge the service that Janet unstintingly gave to the Foundation over many years and offer their condolences to Tony and her family. The honorary patrons and company secretary do not have voting rights. The company secretary is responsible for the day to day activities of the Charity.

Plans for Future Periods

Future plans for the Charity are to continue its bursary award scheme supporting practice research in order to enhance the services available in community pharmacy. The Trustees will also consider any appropriate hardship grants or submissions it may receive.

Statement of trustees' responsibilities

The Trustees (who are also the directors of NPA Health Education Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

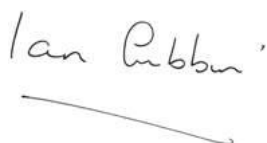
Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

On behalf of the Board of Trustees



Ian J Cubbin
Chairman of the Trustees
24th September 2021

**NPA Health Education Foundation
(A company limited by guarantee)**

Independent Examiner's Report to the Trustees of the NPA Health Education Foundation

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 December 2020 which are set out on page 7 to 12.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

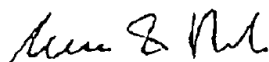
Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Alexander J Bell FCA

Mercer & Hole
Chartered Accountants
Batchworth House
Batchworth Place
Rickmansworth
Herts WD3 1JE

24 September 2021

NPA Health Education Foundation
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Statement of financial activities (Including Income and Expenditure account) for the year ended 31 December 2020

		UNRESTRICTED FUNDS		UNRESTRICTED FUNDS	
	Notes	£	2020 £	£	2019 £
Income from					
Investment income		34,834		45,784	
Total income			34,834		45,784
Expenditure on					
Charitable expenditure	6	(5,737)		(22,140)	
Raising funds	4	(3,081)		(3,457)	
Total expenditure			(8,818)		(25,597)
Net (losses)/gains on investments			(134,111)		160,000
Net (expenditure)/income and movement in funds for the year			(108,095)		180,187
Reconciliation of funds					
Total funds brought forward			1,238,733		1,058,546
Total funds carried forward			1,130,638		1,238,733

All income and expenditure derives from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

The notes on pages 9 to 12 form part of these financial statements.

**NPA Health Education Foundation
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Balance sheet at 31 December 2020

		2020		2019	
	Notes	£	£	£	£
Fixed Assets					
Investments	5		1,054,202		1,188,313
Current Assets					
Cash at bank and in hand		41,845		14,553	
Short-term deposits		40,505		40,505	
Other debtors		-		-	
Creditors (amounts falling due within one year)					
Accruals		(5,914)		(4,388)	
Other creditors		-		(250)	
Net Current Assets		76,436		50,420	
Net assets		1,130,638		1,238,733	
Charity funds:					
Unrestricted income funds		1,130,638		1,238,733	
Total charity funds		1,130,638		1,238,733	



For the year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board on 24th September 2021 and authorised for issue on 24th September 2021 and signed on its behalf by:

Ian J Cubbin
Chairman of the Trustees

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The notes on pages 9 to 12 form part of these financial statements.

1. ACCOUNTING POLICIES

General information and basis of preparation

NPA Health Education Foundation is a charitable company limited by guarantee, registered in the England and Wales. 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. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustees' Report on page 3.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The following principal accounting policies are applied:

Funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Income

All income including donations, legacies and other gifts are included in the Statement of Financial Activities (SoFA) when received. Investment income is earned through holding assets for investment purposes such as shares. Investment income is recognised on a receipts basis.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on charitable activities includes bursary payments
- Other expenditure represents those items not falling into the above category.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grant. Where grants are conditional relating to the performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

Investments

Investments are recognised initially at fair value, which is normally the transaction price excluding the transaction costs. Subsequently, they are measured at fair value with changes recognised in 'Net investment gains and losses' in the statement of financial activities if the shares are publically traded or can otherwise be measured reliably.

**NPA Health Education Foundation
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Notes to the financial statements for the year ended 31 December 2020

Cash flow

The charitable company is a small company as defined in s382 and s465 of the Companies Act 2006 and has elected to take advantage of the exemption provided in Charities SORP (FRS 102) and has thus not presented a cash flow statement.

Debtors and Creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

Tax

The Charity is exempt within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The expected income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

2. COMPANY STATUS

The charitable company does not have a share capital and is limited by the guarantee of its members of £1 each. The number of members at 31 December 2020 was 4 (2019: 4).

Membership of the charitable company is limited to those founding members who were appointed at incorporation and to current members of the Board of Management of the National Pharmacy Association Limited.

3. TRUSTEES' REMUNERATION

The Trustees neither received nor waived any remuneration during the year (2019: £nil).

The Trustees did not have any expenses reimbursed during the year (2019: £nil).

Travel costs and a day allowance amounting to £nil (2019: £681) were reimbursed to the Honorary Patron.

Payments of £3,150 (2019: £6,982) were made to the Company Secretary for services provided. These were previously borne by the National Pharmacy Association Ltd.

The charitable company did not have any employees in the year (2019: nil).

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Notes to the financial statements for the year ended 31 December 2020

4. RAISING FUNDS

	2020	2019
	£	£
Portfolio management fee	3,081	3,457
	<u>3,081</u>	<u>3,457</u>

5. INVESTMENTS

	2020	2019
	£	£
Market value at 1 January	1,188,313	1,008,313
Net unrealised (losses)/gains during the year	(134,111)	153,181
Realised gains during the year	-	6,819
Cash disbursement to portfolio fund	-	20,000
	<u>1,054,202</u>	<u>1,188,313</u>

The value of quoted investments was £1,049,546 (2019: £1,183,362) and the value of cash held by the fund manager was £4,656 (2019: £4,951).

All investments are quoted on recognised stock exchanges and all of the investment income is attributable to these investments and the cash at bank.

All investment income arose from the charitable company's portfolio of investments described on page 4.

6. CHARITABLE EXPENDITURE

Charitable expenditure consisted of:	2020	2019
	£	£
Charitable donations - bursaries	-	11,573
Bank charges	42	47
Independent examiner's fee	1,920	1,860
Miscellaneous expenditure	3,775	8,660
	<u>5,737</u>	<u>22,140</u>

7. FINANCIAL COMMITMENTS

The Company had no capital commitments at 31 December 2020 (2019 Nil).

8. RELATED PARTY TRANSACTIONS

There were no transactions with related parties requiring disclosure other than those described in note 3. In the opinion of the Trustees there is no ultimate controlling party

NPA Health Education Foundation
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Notes to the financial statements for the year ended 31 December 2020

9. FUND RECONCILIATION

	Balance at 1 January 2020	Income	Expenditure	Gains/(Losses)	Balance at 31 December 2020
Unrestricted	1,238,733	34,834	8,818	(134,111)	1,130,638

	Balance at 1 January 2019	Income	Expenditure	Gains/(Losses)	Balance at 31 December 2019
Unrestricted	1,058,546	45,784	25,597	160,000	1,238,733