



FPM annual report and accounts

for the year ended 31 December 2018



Table of Contents

President’s Foreword.....	1
Trustees’ Report.....	2
Our purpose	2
Public benefit	2
Strategic aims.....	2
Our activities and achievements in 2018.....	3
Future plans	5
Financial Review.....	7
Reserves policy.....	7
Investment policy.....	8
Investment performance	8
Pay policy	9
Risk management.....	9
Reference and Administrative Details	9
Status	9
Other name	9
Trustees.....	10
Chief Executive.....	10
Principal advisors	10
Registered office and operational address	10
Structure, Governance and Management	11
FPM Board of Trustees.....	12
Related parties and connected organisations	13
Statement of the Trustees’ Responsibilities	13
Auditors.....	14
Independent auditor’s report	14
Statement of Financial Activities.....	18
Balance Sheet.....	19
Statement of Cash Flows.....	20
Notes to the Financial Statements.....	21

President's Foreword

May I firstly thank everyone; our members, our staff and our board of trustees, for a great year. The FPM has seen many great achievements, and experienced and overcome significant challenges. 2018 was a year of change – a change in President, a change in strategy and a change of Chief Executive. Despite these challenges we have continued to develop and grow as an organisation.

We have spoken out and influenced key issues such as Brexit, medicines supply, orphan medicines, duty of candour and medicine regulations. We also established six expert groups to produce rigorous and timely responses to press releases, consultations and publications, and we submitted and jointly contributed to several major consultations and inquiries.

The two main events of the year – the Education Day 'Applying ethical values and good practice in pharmaceutical medicine' and Annual Symposium 'the future of medical affairs' – both were sold out and earned excellent reviews from attendees. In addition, we ran a myriad of bespoke training, educational and social events, including professional development masterclasses on 'Gravitas' and 'Culture'.

In collaboration with the ABPI and Brighton and Sussex Medical School (BSMS), we launched the drug discovery and development undergraduate programme at BSMS – a landmark programme that introduces students to the core aspects of pharmaceutical medicine from their very first year of study.

We have revolutionised our digital communications, launching the new 'Journal of the Faculty of Pharmaceutical Medicine' and achieved unprecedented levels of engagement through social media channels.

The work on the new curriculum – Pharmaceutical Medicine Specialty Training (PMST) 2020 – is progressing well, with 52 members contributing, including many that are recent PMST graduates. In addition to the 2020 curriculum, the Joint Royal Colleges of Physicians Training Board Specialist Advisory Committee for Pharmaceutical Medicine is negotiating the entry requirements with the GMC to ensure applicants have achieved the relevant capabilities to enrol on to the PMST programme.

Our offices at Angel Gate have a members' meeting room and an interview room for annual appraisals. Now most of our training sessions and business activities take place in our first-floor rooms. These can be rented for others to use. Indeed, our third floor is sub-leased.

As we look to the future, our ongoing strategic review exercise will no doubt bring fresh challenges and opportunities. However, I have utmost confidence in the FPM members and staff that, with the guidance of the Board of Trustees, we will deliver on our goals, with the knowledge that we remain utterly committed to our purpose of improving the health of patients and the public. Finally, everyone at FPM wishes to acknowledge the enormous contribution our outgoing Chief Executive, Kathryn Swanston, has made in shaping the FPM over the last 20 years. Kathryn was a pleasure to work with and will be greatly missed.

Professor Tim Higenbottam

President

The Faculty of Pharmaceutical Medicine

Trustees' Report

The trustees are pleased to present their annual report together with the audited financial statements for the financial year ended 31 December 2018. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP FRS 102).

Our purpose

To advance the science and practice of pharmaceutical medicine by working to develop and maintain competence, ethics and integrity and the highest professional standards in the specialty for the benefit of the public.

Public benefit

The charitable purposes of Faculty of Pharmaceutical Medicine (FPM) are set out in the Memorandum and Articles of Association and are:

- to promote the science of pharmaceutical medicine;
- to develop and maintain competence, ethical integrity and high professional standards in the practice of pharmaceutical medicine; and
- to advance knowledge in pharmaceutical medicine.

Pharmaceutical medicine is the medical specialty concerned with the discovery, development, evaluation, licensing and monitoring of medicines and the medical aspects of their marketing.

FPM seeks through its activities to bring about an improvement in the health of the public and patients. Our activities seek to advance the science and practice of pharmaceutical medicine by contributing to the provision of effective medicines for public benefit. The trustees regularly review the aims, objectives and activities of the charity referring to the Charity Commission's guidance on public benefit.

Strategic aims

We will:

- set standards of practice in pharmaceutical medicine;
- provide and support training, examinations and professional development in pharmaceutical medicine;
- provide an authoritative voice on pharmaceutical medical issues and the specialty of pharmaceutical medicine;
- develop guidance and advice on ethical issues in pharmaceutical;
- play a leading role in the development of the science and practice of pharmaceutical medicine within the United Kingdom;
- actively participate and contribute effectively in the development of pharmaceutical medicine within the international arena;

- develop effective working partnerships with relevant groups and organisations;
- advocate for best practice in the specialty and highlight the important role it plays in healthcare and industry;
- seek the input and advice of patients and members of the public;
- support the membership with guidance, information and leadership, so that they may improve and innovate in their professional practice;
- encourage and facilitate the contributions of the membership towards the work of the FPM;
- maintain and develop effective organisational governance; and
- ensure that an effective structure and adequate resources are in place.

Our activities and achievements in 2018

To implement our strategic aims, our activities are grouped into three main areas: education and standards; communications and advocacy; and membership support. All our activities focus on bringing about an improvement in the health of patients and the public by contributing to the provision of effective medicines.

Education and standards

FPM sets standards for doctors and other professionals working and training in the field of pharmaceutical medicine. We offer numerous examinations and training programmes through which individuals are assessed against these standards.

Pharmaceutical Medicine Specialty Training (PMST) is the 4-year workplace-based training programme that covers the entire spectrum of practice in pharmaceutical medicine. Successful completion of the programme leads to a Certificate of Completion of Training, granted by the General Medicine Council (GMC), and the subsequent entry onto the GMC's Specialist Register. There are currently 116 active trainees.

Our primary exam is the Diploma in Pharmaceutical Medicine. In 2018, 41 candidates sat Part 1 of the Diploma and 42 candidates sat Part 2, with pass rates of 74% and 64% respectively. We also offer the Certificate and Diploma in Human Pharmacology programmes, alongside the Diploma in Experimental Therapeutics.

Unlike most other medical specialties, our examinations and PMST are optional for pharmaceutical physicians, but we promote these, and any equivalent routes, as a mechanism by which pharmaceutical physicians can publicly demonstrate the standard of their knowledge, skills and experience. PMST is regulated by the GMC and therefore we must participate in the GMC's rigorous quality management system.

We draw on the wealth of experience of our membership and others to set educational standards using validated methods. We also train examiners, specialty advisers, educational supervisors and revalidation appraisers to undertake their roles effectively and to the standards set by the GMC.

The Education and Standards Committee and the Trainees Committee jointly organised a successful Education Day in June 2018 on the theme 'ethical issues in pharmaceutical medicine'. Other events organised through the year include the 'gravitas' and 'culture' professional development courses.

FPM acts as a designated body for revalidation, providing annual appraisals and revalidation services during 2018. On 31 December 2018, 614 members had a prescribed connection to FPM as a designated body and over 600 appraisals were completed during 2018, that represents an increase of 5% compared to 2017.

In collaboration with the ABPI and Brighton and Sussex Medical School (BSMS), we launched the drug discovery and development undergraduate programme at BSMS – a landmark programme that will introduce students to the core aspects of pharmaceutical medicine from their very first year of study.

We provide guiding principles on professional standards for all pharmaceutical physicians. Our 'Good Pharmaceutical Medical Practice', first published in 2014, provides all doctors practising pharmaceutical medicine around the world with specific guidance and direction on expected standards, conduct and behaviour. This document is currently being revised and updated and a new edition will be published later in 2019. Our Good Pharmaceutical Medical Practice Support Network is available to provide guidance and direction to pharmaceutical physicians who face ethical dilemmas in their practice.

The activities described above are undertaken to help to ensure that those working in the field of pharmaceutical medicine are trained, up-to-date and fit to practise. This will help to ensure that the most effective medicines are available to patients and the public.

Communications and advocacy

An important area of FPM's activity is our response to consultations and when doing so, we focus upon the interests of patients and the public. In 2018 we established several expert groups to produce responses to press releases, consultations and publications; the groups are made up of FPM members who have expert knowledge within key areas. We submitted and jointly contributed to several major consultations and inquiries, including consultations on the effects of a no-deal Brexit for the MHRA, for the House of Commons Health and Social Care Select Committee inquiry and to the Department of Health and Social Care consultation on the effect on patients. These activities help to develop national and global policy or regulations in areas associated with pharmaceutical medicine.

We publish a journal and news bulletins with the aim of raising awareness and increasing knowledge on selected topics. The first two full editions of the new Journal of the Faculty of Pharmaceutical Medicine (JFPM) were published in 2018, on the topics of 'hot topics in pharmaceutical medicine' and 'paediatric medicines development'. Our journal and news bulletins are available in the public domain for all who are interested. The format of the JFPM is electronic but can be easily accessed and printed from the FPM website.

The 'real world data' working group published a paper on this topic in the JFPM and is currently developing the programme and content for a training day in December 2019. A

policy project group has developed material to aid the understanding of the ABPI Code of Practice amongst those working in clinical medicine, and appropriate rules of engagement. The 'early access' working group organised a training day on UK and international early access to medicines schemes, attended by 40 FPM members.

FPM is increasingly active on social media channels, primarily Twitter (560 followers) and LinkedIn (2880 followers). We use social media to engage with our members and non-members on topics of relevance to pharmaceutical medicine, to promote our events and projects and to spark discussion and debate on the science, ethics and regulation of the specialty.

We had an exhibition stand and organised a session as part of the 'RCP 500' anniversary conference, which enabled us to connect with many clinical doctors, medical students and academics. Our own sold-out symposium 'the future of medical affairs' also attracted a varied audience and received exceptional feedback.

We continued to have a regular media presence during 2018, commenting on, amongst other things, Brexit and its effect on pharmaceuticals research and development and medicines supply chains, orphan medicines and the duty of candour.

Membership support

FPM is a professional membership organisation with members who are practising pharmaceutical physicians or those with a professional interest in the specialty. On the 31 December 2018 we had a total of 1517 members in all categories, and membership numbers have remained stable during the year. 22% of FPM members are based outside the United Kingdom. Those who have retired from professional practice can retain their membership of the organisation and contribute to its work. We hold an Annual General Meeting each winter to which all members are invited.

Whilst our work in this activity area is mainly administrative, it is essential to ensure that we have a membership available to support and contribute to the organisation's wider activities and overall strategy. Activities in this area include membership and subscription administration and development work.

Future plans

Against this background of achievements, FPM has begun a comprehensive review of strategy. In August 2018 we wrote to our membership to ask for ideas on how we might grow and extend our current activities and develop completely new ones. Our request was bounded only by the need to deliver to four objectives or key performance indices: Revenue; Reputation and Realising patient benefit and Relationships. These 4 Rs will provide the metrics to determine the value of each new idea as we transform them into activities.

The Board of Trustees held a strategic review day in October 2018, which was attended by members of the board, senior managers at FPM and some of our members. There was a mass of ideas submitted by attendees from which some emergent strategic activities developed:

- Develop new educational courses and qualifications to support the continuing professional development of those working in the pharmaceutical profession
- Embracing the digital future of healthcare using modern media to communicate with our members and with society, both within the UK and internationally
- Build international collaboration with pharmaceutical physicians, academics, industry and governments
- Research areas of change where regulation of safety and efficacy are still under developed
- Be more creative in educating the wider public in the development and use of medicines and devices

The FPM Committee Chairs and the FPM Officers will propose a new governance system to be approved by the Board of Trustees for 2019. This will enable FPM to translate these ideas into public benefit and to enhance development and communication about medicines and medical devices, but above all be sustainable.

Activities planned for 2019 include:

- A consultation and launch of 'Engaging with the pharmaceutical industry' and what this means for clinicians
- The revision and relaunch of 'Good Pharmaceutical Medical Practice'
- The development and launch of a new FPM website with enhanced functionality and which will be mobile responsive
- Explore how to broaden the medical student curriculum on medicines development beyond the Brighton and Sussex Medical School to include other medical schools
- Highlight the critical and exciting role of the First into Man Principal Investigators in medicines development and to revise the Curriculum for the Diploma of Human Pharmacology
- Explore how to support our members' engagement in the digital future of healthcare which seeks to make the most of innovative technologies such as genomics, digital medicine, artificial intelligence and robotics to improve services

Financial Review

As at 31 December 2018 FPM's accounts showed an operating surplus of £17,197 before investment losses of £47,672 for the 12 months. Therefore, there was a deficit after investment losses of £30,475. The underlying position has improved with an operating surplus of £17,197 in 2018 compared to an operating deficit of £45,207 in 2017. This positive performance reflects the financial benefit of the actions FPM has taken to control expenditure, deliver efficiency improvements and increase income.

Income

Overall income has increased by 10% to £1,538,338, an increase of £135,398 on the previous year. In 2018 the proportion of income received relating to education and standards was 62% (2017: 60%) and the proportion of income received from membership subscriptions was 33% (2017: 35%). The increase in income reflects the increase in the number of delegates attending our events and the continued growth in the number of doctor's revalidating with FPM.

Expenditure

Expenditure has increased by 5% to £1,521,141, an increase of £72,994 on the previous year. In 2018 expenditure has been analysed and is shown to be made up of 74% (2017: 77%) on education and standards, 16% (2017: 13%) on communications and advocacy and 10% (2017: 10%) on membership support activities. Additional expenditure was incurred in delivering an extended training and events programme, FPM have invested in a programme to quality assure the Pharmaceutical Medicine Training Programme (PMST) course providers and taken on a new part-time member of staff to improve our website, marketing and digital communications.

Movement in funds

The deficit at 31 December 2018 after net investment losses was £30,475 (2017: surplus of £5,256). As at 31 December 2018 the total funds are £865,414 (2017: £895,889). These are comprised of unrestricted funds of £865,414 and no restricted funds.

Financial outlook

FPM has seen its operating financial position improve this year. During 2019, FPM will continue to provide more continuing educational events, explore how we can enhance the experience of being a member of FPM, build on links made with new partners and continue developing a forward financial plan.

Reserves policy

FPM's policy is to build up and hold free reserves. The term free reserves includes the General Fund and the Development Appeal Fund but excludes Restricted and Endowment funds. It also excludes funds which, although classified as unrestricted, have been designated for specific purposes and which represent a real future liability and definite commitment.

The trustees have identified the following reasons for holding reserves:

- to safeguard against any unexpected fluctuation in the main income stream which is through individual membership fees;
- to make provision for committed expenditure such as salaries, building costs, contracts with suppliers of equipment and professional services; and
- to take further advantage of opportunities for growth and be able to respond to the changes in the external environment such as new legislation which may require additional unplanned resources over the short to medium term.

Considering the above factors, the trustees have determined that at the present time, it is appropriate to hold free reserves equivalent to six-months to one year of FPM's annual operating costs (for 2019 £792k - £1,584k). The policy on reserves is reviewed annually in conjunction with FPM's strategic planning, financial and risk management processes.

As at 31 December 2018 FPM's total free reserves amounted to £721,901 (£720,520 at the start of the period). The current level represents approximately 5.5 months' operating costs based upon budgeted expenditure for 2019. In addition to this, a sum of £143,512 (2017: £175,369) has been designated in the year as a Tangible Fixed Asset fund and represents the net book value of those assets and is therefore not available to meet future expenditure. The trustees have designated £29,596 of free reserves (£29,596 also at the start of the year), which represents the balance of funds remaining from the Development Appeal in 2002, setting these funds aside at the trustees' discretion for development projects. The balance of unrestricted funds £692,305 (2017: £690,924) are general funds available to fund day to day operations.

Investment policy

FPM's investment policy is reviewed once a year, or more frequently, should the need arise. FPM's overall investment aims are to allow reasonable growth whilst also maximising security. FPM seeks capital growth from its invested funds and it is envisaged that any income generated will be re-invested back into the fund. The policy is to minimise risk and ensure that the security of the funds is balanced by a reasonable opportunity for capital growth. Less than half the funds will be invested in equities with a greater proportion in gilts and cash. Any equities and bonds are purchased in collective funds with an appropriate spread across sectors and markets. The Treasurer is responsible for the monitoring of investments. Investment decisions will be made with a five-year horizon. When making major changes to the investment arrangements the trustees seek external advice. The trustees review the ethical policy of a prospective fund or manager prior to purchase. It is not the intention of FPM to be overly prescriptive of what stocks can and cannot be included.

Investment performance

Clarity Ltd provides FPM with formal investment reviews and advice on an ongoing basis. The trustees have commissioned Clarity Ltd to conduct a full independent review of its investments during Spring 2019, the previous investment review took place in 2013.

The market value of the FPM's investments was £648,404 at 31 December 2018 compared with a market value of £690,776 at 31 December 2017. This includes a net cash investment of £5,300 and a net loss on investments of £47,672 representing a loss of approximately 7% in the year. The trustees consider this to be in line with challenging market conditions in 2018.

Pay policy

The pay of employed staff is reviewed annually, and any increases are agreed by the President, Vice President, Registrar and Treasurer on behalf of the trustees. Increases are usually in accordance with average earnings, but the trustees may award additional increases from time to time if justified. A remuneration benchmark report is commissioned by the trustees periodically from an independent organisation to compare pay with similar roles in the voluntary sector. The most recent report was received in December 2015.

Risk management

During 2018 the trustees have identified and reviewed the major risks to which FPM could be exposed. A risk register is maintained by the Chief Executive and systems to manage those risks have also been reviewed and established where necessary. Risks associated with new projects are identified through a project planning process.

The trustees have identified that the most significant current risks continue to be the financial risks associated with the move to larger premises and the associated increase in running costs. These risks have been mitigated by controlling expenditure, especially related to servicing FPM's premises, and projects to grow current activities and develop new ones will be developed to support the strategic aim of income generation. The trustees will monitor the overall financial position and progress carefully during 2019 and beyond.

Reference and Administrative Details

Status

The Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom (FPM) was founded in 1989 and registered as a charity in 1992, Charity number 1130573. FPM became a charitable company on 1 November 2009, Company number 06870644.

Other name

The Faculty of Pharmaceutical Medicine.

Trustees

The trustees who served since 1 January 2018 are listed below:

President:	Professor Tim Higenbottam Professor Alan Boyd (until 2 November 2018)
Vice President:	Dr Flic Gabbay Professor Tim Higenbottam (until 2 November 2018)
Registrar:	Dr Tom Morris
Treasurer:	Dr Christopher Worth
RCP London Trustee:	Dr Robert Unwin (from 14 December 2018) Professor Tim Evans (until 2 November 2018)
RCP Edinburgh Trustee:	Dr Isla Mackenzie
RCP&S Glasgow Trustee:	Professor Mathew Walters Dr Stuart Dollow Dr David Jefferys Dr Cheryl Key (until 2 November 2018) Dr Lalitha Mahadavan Professor John Posner (until 2 November 2018) Dr Sharon McCullough (from 2 November 2018) Dr Tahir Saleem (from 2 November 2018)
Lay Trustee	Mr William Payne
Lay Trustee	Professor Alan Cribb

Chief Executive

Mrs Kathryn Swanston (until 31 October 2018)

Mrs Sarah Davis (interim from 17 September 2018)

Principal advisors

Accountants:	JS2 Limited, One Crown Square, Woking, Surrey, GU21 6HR
Auditors:	Sayer Vincent LLP, Chartered accountants and statutory auditors, Invicta House, 108 -114 Golden Lane, London EC1Y 9TL
Investment advisors:	Clarity Ltd, One Crown Square, Woking, Surrey, GU21 6HR CCLA Investment Management Ltd, 80 Cheapside, London, EC4P 4DQ
Bankers:	C Hoare & Company, 37 Fleet Street, London, EC4P 4DQ Santander UK plc, 301 St Vincent St, Glasgow, G2 5NT HSBC, 28 Borough High Street, London, SE1 1YB
Solicitors:	Hempsons Solicitors, Hempsons House, 40 Villiers Street, London, WC2N 6NJ

Registered office and operational address

19 Angel Gate, 326a City Road, London, EC1V 2PT

Structure, Governance and Management

The organisation is a charitable company limited by guarantee, incorporated on 6 April 2009 and registered as a charity on 15 July 2009. On 1 November 2009, the assets, liabilities and operations from the unincorporated charity, which had been registered in 1992, were transferred to the charitable company.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In addition, regulations have been agreed by the trustees.

Members of FPM recognised as voting members under the Companies Act are ordinary Fellows and full Members.

Associate members are those enrolled in the Pharmaceutical Medicine Specialty Training Programme and Affiliate membership is open to any physician who works in or has a professional interest in pharmaceutical medicine.

As at 31 December 2018, the number of members in each category were as follows:

	2018	2017
UK Fellows	379	375
International Fellows	154	153
Honorary Fellows	86	81
Total number of Fellows	619	609
UK Members	228	258
International Members	95	105
Honorary Members	16	16
Total number of Members	339	379
UK Associate members	96	102
International Associate members	4	1
Total number of Associate members	100	103
UK Affiliate members	406	389
International Affiliate members	53	47
Total number of Affiliate members	459	436
Total number of members	1517	1527

FPM Board of Trustees

The FPM Board, as trustees of the charity and directors of the company, are responsible for the overall management and administration of the organisation. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in Note 3 to the accounts.

Members of the Board are the President, who is the Chairman, the Vice President, the Registrar, the Treasurer, the Presidents of the three parent colleges (or their nominees), five Fellows and/or Members and two Lay members. All members of the Board are trustees and directors and have full voting rights.

The President and Vice President, who must be Fellows, are elected every three years by a ballot of all Fellows and Members. Neither President nor Vice President may serve for more than one term of office. Appointed trustees, including the Registrar and Treasurer, are appointed by the Board through a transparent process and in accordance with the Regulations. The term of office is three years and re-appointment does not normally exceed six years in total. Trustees from the parent colleges are nominated by their respective Presidents and Councils and serve for a maximum of six years. Elected trustees are elected by a ballot of Fellows and Members in accordance with the Regulations and serve for a three-year term. No elected trustee may serve for more than two consecutive terms.

All trustees are provided with an induction and ongoing training on their responsibilities and other matters as required. Trustees are encouraged to attend external governance training, and this has included training offered by FPM's lawyers and auditors.

The Board, having agreed strategy and policy, delegates much of its work to committees within a committee governance structure. Within this structure are three governance committees (Fellowship and Awards Committee, Finance Committee and Remuneration Committee) and four operational committees or groups (Policy and Communications Group, Education and Standards Committee, Ethics and Practice Committee and Trainees Committee). The operational committees may have subcommittees and sub-groups which report to them. Additionally, the Coordination Committee acts as a link between governance and operational functions.

The day-to-day management of the organisation's activities is delegated to the employed staff under the direction of the Chief Executive. All employees have an annual appraisal at which objectives and a development plan for the year ahead are agreed. A great many members of FPM contribute on a voluntary basis to day-to-day activities where professional input on matters relating to the medical profession or to the specialty of pharmaceutical medicine is required.

Related parties and connected organisations

FPM is a joint Faculty of the Royal College of Physicians, London (RCP), the Royal College of Physicians, Edinburgh (RCPE) and the Royal College of Physicians and Surgeons of Glasgow (RCPSG) and is a member of the Academy of Medical Royal Colleges (AOMRC). FPM shares in its parent colleges' efforts for the advancement of medical knowledge and care, consulting and collaborating with them on all appropriate matters.

The process of pharmaceutical medicine specialty training involves cooperation with the Joint Royal Colleges of Physicians Training Board (JRCPTB), the General Medical Council (GMC) and the Conference of Postgraduate Medical Deans of the United Kingdom (COPMED). This work involves the educational approval of third-party organisations for the work-based training of pharmaceutical physicians or as providers of modular courses within training programmes.

FPM's current President, Professor Tim Higenbottam, and former President, Professor Alan Boyd, is or were AOMRC Council members. FPM pays an annual membership subscription to the AOMRC which for 2018 was £17,861.

FPM is a member of the PharmaTrain Federation, which provides accreditation and professional certification to ensure the competence of medicines development scientists and clinical investigators.

Statement of the Trustees' Responsibilities

The trustees (who are also directors of FPM for the purposes of company law) are responsible for preparing the report of the trustees 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 net income or expenditure, of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are

also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Voting members of the charity (Fellows and Members only) guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was 856 (2017: 891). The trustees, except for the Lay trustees and trustees from the parent colleges, are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Sayer Vincent were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 16 May 2019 and signed on their behalf by

Professor Tim Higenbottam

President of the Faculty of Pharmaceutical Medicine

Independent auditor's report

Independent auditor's report to the members of Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom.

Opinion

We have audited the financial statements of Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom (the 'charitable company') for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows 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

Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

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 the 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

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

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

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has 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 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; 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' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 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 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

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 the 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 judgment and maintain professional scepticism throughout the audit. We also:

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

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.

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. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

16 May 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom

Statement of Financial Activities (incorporating an Income & Expenditure Account)

For the Year ended 31 December 2018

	Note	Unrestricted Funds £	Restricted Funds £	2018 Funds £	2017 Funds £
Income					
Income from charitable activities:					
Education & standards		955,085	1,500	956,585	840,802
Communications & advocacy		10,730	-	10,730	4,770
Membership subscriptions		503,522	-	503,522	489,669
Income from investments		13,812	-	13,812	15,280
Income from other trading activities		53,689	-	53,689	52,419
Total income		1,536,838	1,500	1,538,338	1,402,940
Expenditure					
<i>Expenditure on charitable activities:</i>					
Education & standards		1,125,165	1,500	1,126,665	1,117,544
Communications & advocacy		239,364	-	239,364	185,295
Membership support services		155,112	-	155,112	145,308
Total expenditure	2	1,519,641	1,500	1,521,141	1,448,147
Net income/(expenditure) before gains on investments		17,197	-	17,197	(45,207)
Net (losses)/gains on investments	7	(47,672)	-	(47,672)	50,463
Net (expenditure)/income and movement in funds		(30,475)	-	(30,475)	5,256
Total funds brought forward		895,889	-	895,889	890,633
Total funds carried forward		865,414	-	865,414	895,889

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 10 to the financial statements.

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom
Company number: 06870644
Balance sheet
As at 31 December 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible fixed assets	6		143,512		175,369
Investments	7		<u>648,404</u>		<u>690,776</u>
			791,916		866,145
Current assets					
Debtors	8	119,980		104,245	
Cash at bank and in hand		<u>678,223</u>		<u>539,827</u>	
		798,203		644,072	
Creditors: amounts due within one year					
	9	<u>(724,705)</u>		<u>(614,328)</u>	
Net current assets			73,498		29,744
Net assets			<u>865,414</u>		<u>895,889</u>
Funds					
	10		-		-
Restricted funds					
Unrestricted funds:					
Designated funds			173,108		204,965
General funds			692,306		690,924
Total funds			<u>865,414</u>		<u>895,889</u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved, and authorised for issue, by the trustees on 16 May 2019 and signed on their behalf by:-

Professor Tim Higenbottam - President

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom

Statement of Cash Flows

For the year ended 31 December 2018

	£	2018 £	£	2017 £
Cash flows from operating activities:				
Net income/(expenditure) for the year	(30,475)		5,256	
Adjustments for:				
Depreciation charges	37,179		35,971	
Dividends and interest	(13,812)		(15,280)	
Loss on disposal of fixed assets	-		-	
(Increase)/decrease in debtors	(15,736)		(618)	
Increase/(decrease) in creditors	110,377		27,909	
(Gains)/Losses on investments	47,672		(50,463)	
Net cash provided by (used in) operating activities		135,206		2,775
Cash flows from investing activities:				
Dividends and interest	13,812		15,280	
Purchase of tangible fixed assets	(5,322)		(4,868)	
Additions at cost	(22,522)		(40,320)	
Disposal proceeds	17,196		33,015	
movement in cash held	26		(3)	
Net cash provided by (used in) investing activities		3,190		3,104
Change in cash and cash equivalents in the year		138,396		5,879
Cash and cash equivalents at the beginning of the year		539,827		533,948
Cash and cash equivalents at the end of the year		678,223		539,827

1. Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity is a public benefit entity for the purposes of FRS 102 and therefore has also prepared the 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) and the Charities Act 2011.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the Charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the Charity's forecasts and projections. The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Incoming resources

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Volunteer time is not included in the financial statements.

Subscriptions and revalidation fees are recognised in the statement of financial activities in the financial period to which they relate. Subscriptions which relate to a future accounting period are deferred.

Examination fee income is recognised when the examination takes place. Delegate fee income is recognised when the event takes place.

Course approval fees are recognised when approval is granted.

Resources expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned based on staff time of the amount attributable to each activity.

Governance costs include the management of the Faculty's assets, organisational management and compliance with constitutional and statutory requirements.

Fund accounting

Unrestricted funds include donations and other incoming resources receivable or generated for the objects of the Faculty.

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

Restricted funds are funds subject to specific restrictive covenants imposed by donors or by the purpose of the appeal.

Pensions

The Faculty contributes 10% of salaries to individual money purchase pension schemes. The assets of the schemes are held separately from those of the Faculty in independently administered funds. The pension cost charge represents contributions payable under the schemes by the Faculty to the fund. The Faculty has no liability under the schemes other than for the payment of those contributions.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost of each asset evenly over its expected useful life. The useful life is as follows:

Computer & Office Equipment	3 Years
Computer Software	3 Years
Leasehold improvements	10 Years

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

1. Basis of preparation (continued)

Investments

Investments held as fixed assets are revalued at bid-price value at the balance sheet date. The gain or loss for the period is taken to the statement of financial activities.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease duration.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

With the exception of the listed investments described above the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2. Total resources expended

	Direct staff costs £	Other direct costs £	Support costs £	Total 2018 £	Total 2017 £
Education & standards	247,108	568,618	310,939	1,126,665	1,117,544
Communications & advocacy	89,069	38,219	112,076	239,364	185,295
Membership support services	68,685	-	86,427	155,112	145,308
	<u>404,862</u>	<u>606,837</u>	<u>509,442</u>	<u>1,521,141</u>	<u>1,448,147</u>
	<u>343,314</u>	<u>594,809</u>	<u>510,024</u>	<u>1,448,147</u>	

Support costs are allocated on the basis of staff cost.

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom
Notes to the Financial Statements
For the year ended 31 December 2018

2. Total resources expended (continued)

Total resources expended in prior year

	Direct staff costs	Other direct costs	Support costs	Total 2017
	£	£	£	£
Education & standards	223,152	562,880	331,512	1,117,544
Communications & advocacy	61,702	31,929	91,664	185,295
Membership support services	58,460	-	86,848	145,308
	<u>343,314</u>	<u>594,809</u>	<u>510,024</u>	<u>1,448,147</u>

3. Net movement in funds

This is stated after charging:	2018	2017
	£	£
Trustees' indemnity insurance	4,906	4,171
Trustees' expenses	9,229	8,500
Auditors' remuneration:		
▪ audit (excluding VAT)	8,000	7,800
Depreciation	37,179	35,971
Operating lease rentals:		
▪ property	194,884	196,789
▪ other	6,416	6,922
	<u>6,416</u>	<u>6,922</u>

One (2017: one) trustee received remuneration in the year of £3,172.70 (2017: £3,360) for providing revalidation appraisals. Trustees' expenses above relate to the reimbursement of travel and subsistence costs of 6 trustees (2017: 9 trustees) for attendance at meetings of the trustees and activities of the Faculty.

4. Support costs

	2018	2017
	£	£
Governance costs		
Audit & other advice	11,160	9,320
Board expenses	5,659	7,999
Other	6,391	3,099
	<u>23,210</u>	<u>20,418</u>
Staff costs	42,445	38,467
Other support costs:		
Rent, rates and service charges	226,535	232,278
Stationery, postage and printing	9,592	12,202
Staff welfare	8,841	8,692
IT Costs	34,675	35,187
Equipment	26,996	22,066
Depreciation	37,180	35,970
Telephone and fax	2,658	2,686
Legal, professional & accountancy	24,497	30,275
Insurance	12,053	11,166
Memberships	18,099	19,116
Miscellaneous	42,661	41,501
	<u>509,442</u>	<u>510,024</u>

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom
Notes to the Financial Statements
For the year ended 31 December 2018

5. Staff costs and numbers

Staff costs were as follows:	2018	2017
	£	£
Salaries and wages	354,552	304,522
Social security costs	34,216	26,910
Pension contributions	47,395	40,278
Temporary staff	6,322	9,836
Recruitment	4,822	235
	<u>447,307</u>	<u>381,781</u>

One employee earned between £60,000 - £70,000 per annum during the year (2017: one).

The key management personnel of the Charity comprise the trustees and the Chief Executive. The total employee benefits of the key management personnel (including employers' NI and pension) of the Charity were £83,746.94 (2017: £80,744.70)

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2018	2017
	No.	No.
Education & standards	5.2	5.2
Communications & advocacy	1.9	1.5
Membership support	1.5	1.4
Governance	0.9	0.9
	<u>9.5</u>	<u>9.0</u>

6. Tangible fixed assets

	Computer Software	Computer & Office equipment	Leasehold improve- ments	Total
	£	£	£	£
Cost				
At 1 January 2018	34,327	67,644	211,264	313,235
Additions	-	5,322	-	5,322
Disposals	-	(15,040)	-	(15,040)
At 31 December 2018	<u>34,327</u>	<u>57,926</u>	<u>211,264</u>	<u>303,517</u>
Depreciation				
At 1 January 2018	34,327	47,069	56,470	137,866
Charge for the period	-	16,053	21,126	37,179
Disposals	-	(15,040)	-	(15,040)
At 31 December 2018	<u>34,327</u>	<u>48,082</u>	<u>77,596</u>	<u>160,005</u>
Net book value				
At 31 December 2018	<u>-</u>	<u>9,844</u>	<u>133,668</u>	<u>143,512</u>
At 31 December 2017	<u>-</u>	<u>20,575</u>	<u>154,794</u>	<u>175,369</u>

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom
Notes to the Financial Statements
For the year ended 31 December 2018

7. Investments

	2018 £	2017 £
Market value at the start of the year	690,776	633,005
Additions at cost	22,522	40,320
Less disposals at carrying value	(17,196)	(33,015)
Net gain / (loss) on revaluation	(47,672)	50,463
Net investment in cash funds	(26)	3
Market value at the end of the year	<u>648,404</u>	<u>690,776</u>
Historic cost at the end of the year	<u>483,375</u>	<u>478,075</u>

Investments comprise:	Cost 2018 £	Cost 2017 £	Market Value 2018 £	Market Value 2017 £
Cash funds	0	26	0	26
Charities Official Investment Fund - Income shares	101,127	101,127	219,406	225,625
Property	54,164	52,501	65,423	62,691
UK equities	126,036	127,376	138,771	164,714
International equities	62,982	61,587	75,791	84,885
Bonds	139,066	135,458	149,013	152,835
	<u>483,375</u>	<u>478,075</u>	<u>648,404</u>	<u>690,776</u>

8. Debtors

	2018 £	2017 £
Prepayments	106,419	92,588
Sundry debtors & accrued income	13,561	11,657
	<u>119,980</u>	<u>104,245</u>

9. Creditors: amounts due within one year

	2018 £	2017 £
Trade creditors and accruals	174,473	152,382
Taxation and social security	7,230	9,181
Other creditors	122,791	140,287
Deferred income	420,211	312,478
	<u>724,705</u>	<u>614,328</u>

Deferred income

Deferred income comprises CHP and DHP exam income, 2017/18 and 2018/19 revalidation fee income, and rental income relating to the 19 Angel Gate deposit and rent paid in advance.

	2018 £	2017 £
Deferred income brought forward	312,478	262,299
Resources deferred in the year	420,211	312,478
Amounts released from previous years	(312,478)	(262,299)
Deferred income carried forward	<u>420,211</u>	<u>312,478</u>

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom
Notes to the Financial Statements
For the year ended 31 December 2018

10. Movements in funds

Movements in funds in current year

	Brought forward 1 January 2018 £	Incoming resources £	Outgoing resources £	Transfers & investment gains £	Carried forward 31 December 2018 £
Restricted funds:					
Members' area refurbishment appeal	-	-	-	-	-
Donation for Annual Dinner	-	1,500	(1,500)	-	-
Total restricted funds	-	1,500	(1,500)	-	-
Unrestricted funds:					
<i>Designated funds:</i>					
Development Appeal	29,596	-	-	-	29,596
Fixed Asset	175,369	-	-	(31,857)	143,512
<i>Total designated funds</i>	<i>204,965</i>	<i>-</i>	<i>-</i>	<i>(31,857)</i>	<i>173,108</i>
<i>General funds</i>	<i>690,924</i>	<i>1,536,838</i>	<i>(1,519,641)</i>	<i>(15,815)</i>	<i>692,306</i>
Total unrestricted funds	895,889	1,536,838	(1,519,641)	(47,672)	865,414
Total funds	895,889	1,538,338	(1,521,141)	(47,672)	865,414

Movements in funds in prior year

	Brought forward 1 January 2017 £	Incoming resources £	Outgoing resources £	Transfers & investment gains £	Carried forward 31 December 2017 £
Restricted funds:					
Members' area refurbishment appeal	-	1,087	(1,087)	-	-
Donation for Annual Dinner	-	3,175	(3,175)	-	-
Total restricted funds	-	4,262	(4,262)	-	-
Unrestricted funds:					
<i>Designated funds:</i>					
Development Appeal	29,596	-	-	-	29,596
Fixed Asset	206,472	-	-	(31,103)	175,369
<i>Total designated funds</i>	<i>236,068</i>	<i>-</i>	<i>-</i>	<i>(31,103)</i>	<i>204,965</i>
<i>General funds</i>	<i>654,565</i>	<i>1,398,678</i>	<i>(1,443,885)</i>	<i>81,566</i>	<i>690,924</i>
Total unrestricted funds	890,633	1,398,678	(1,443,885)	50,463	895,889
Total funds	890,633	1,402,940	(1,448,147)	50,463	895,889

Purposes of restricted funds

In 2018 a restricted donation towards the cost of the annual dinner was received from one member.

Purposes of designated funds

Development Appeal Fund - The fund, launched in 2002, is to develop the Faculty. It has been set aside by trustees for this purpose.

Reserves Policy Fund - The fund has been designated with the intention of holding between 6-12 months operating expenditure which is the level set by the trustees in the FPM's Reserve Policy. At 31 December 2018 these funds were transferred to general funds.

Fixed Asset Fund - The fund represents the net book value of tangible fixed assets in use by the Faculty and therefore not available to meet future expenditure. A transfer is made each year to reflect the change in net book value.

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom
Notes to the Financial Statements
For the year ended 31 December 2018

11. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Investments	-	-	648,404	648,404
Tangible fixed assets	-	143,512	-	143,512
Net current assets	-	29,596	43,902	73,498
	<u>-</u>	<u>173,108</u>	<u>692,306</u>	<u>865,414</u>

Analysis of net assets between funds in prior year

	Restricted funds £	Designated funds £	General funds £	Total funds £
Investments	-	-	690,776	690,776
Tangible fixed assets	-	175,369	-	175,369
Net current assets	-	29,596	148	29,744
	<u>-</u>	<u>204,965</u>	<u>690,924</u>	<u>895,889</u>

12. Operating lease commitments

The Faculty had total commitments at the period end under operating leases (all for land & buildings) expiring as follows:

	2018 £	2017 £
Less than 1 year	203,118	197,040
1 - 5 Years	812,470	812,470
5 + Years	372,382	575,500
	<u>1,387,970</u>	<u>1,585,010</u>

Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows:

	2018 £	2017 £
Less than 1 year	20,010	52,069
1 - 5 Years	-	20,010
5 + Years	-	-
	<u>20,010</u>	<u>72,079</u>

Faculty of Pharmaceutical Medicine of the Royal Colleges of Physicians of the United Kingdom
Notes to the Financial Statements
For the year ended 31 December 2018

13. Prior year comparatives

Statement of Financial Activities for the year ended December 2017

	Unrestricted Funds £	Restricted Funds £	2017 Funds £
Income			
<i>Income from charitable activities:</i>			
Education & standards	836,540	4,262	840,802
Communications & advocacy	4,770	-	4,770
Membership subscriptions	489,669	-	489,669
Income from investments	15,280	-	15,280
Income from other trading activities	52,419	-	52,419
Total income	<u>1,398,678</u>	<u>4,262</u>	<u>1,402,940</u>
Expenditure			
<i>Expenditure on charitable activities:</i>			
Education & standards	1,113,282	4,262	1,117,544
Communications & advocacy	185,295	-	185,295
Membership support services	145,308	-	145,308
Total expenditure	<u>1,443,885</u>	<u>4,262</u>	<u>1,448,147</u>
Net expenditure before gains on investments	(45,207)	-	(45,207)
Net gains on investments	<u>50,463</u>	<u>-</u>	<u>50,463</u>
Net income & Net movement in funds	5,256	-	5,256
Total funds brought forward	<u>890,633</u>	<u>-</u>	<u>890,633</u>
Total funds carried forward	<u><u>895,889</u></u>	<u><u>-</u></u>	<u><u>895,889</u></u>