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Annual Report
Financial statements for the
year ended 31 Dec 2022

22



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Assembly members and advisors

PRESIDENT

Claire Anderson

APPOINTED

July 2021

TREASURER

Andre Yeung
Sibby Buckle

July 2020 until June 2022
July 2022 (appointed to
Assembly in July 2021)

Assembly

NATIONAL BOARD CHAIRS

Andrew Carruthers
Thorrún Govind
Cheryl Way

APPOINTED

June 2021
June 2021
June 2021

OTHER MEMBERS

Martin Astbury
Kathleen Cowle
Mary Evans
Audrey Thompson
Mike Hannay
Alisdair Jones
John Marriot
Ruth Mitchell
Eleri Schiavone
Ruth Edwards
Tase Oputu
Lynne Smith

APPOINTED

July 2021
July 2021 until June 2022
July 2022
June 2022
July 2021
July 2021
July 2021 until July 2022
July 2021 until June 2022
July 2022
July 2022
July 2021
July 2021

CHIEF EXECUTIVE

Paul Bennett

PRINCIPAL OFFICE

66 East Smithfield, London, E1W 1AW

AUDITOR

Buzzacott LLP

130 Wood St, London, EC2V 6DL

SOLICITOR

Laytons Solicitors LLP

2 More London Riverside, London, SE1 2AP

BANKER

National Westminster Bank

10 Southwark Street, London, SE1 1TJ

Letter from our President and Chief Executive

**CLAIRE ANDERSON, FRPHARMS,
FFRPS, FFIP, FRSPH**
PRESIDENT



PAUL BENNETT, FRPHARMS
CHIEF EXECUTIVE



Welcome to the Financial Statements of the RPS for the year 2022. Our accounts are once again published fully and openly. They have been subject to external audit in accordance with the applicable laws and Financial Reporting Standards.

As President and Chief Executive, we take this opportunity to present not only the figures that illustrate the financial performance of RPS but also to place some context around them. Every year presents a number of challenges and opportunities for the RPS and in that sense 2022 has been no different to preceding years. However, 2022 has been different in other ways and to the previous two years when much of society was under severe restrictions and many 'lock-downs' in an effort to curb the spread of the COVID-19 virus. The effects of the pandemic and its impact on the UK and global economy have been significant and while many of the restrictions placed on personal freedoms may have been lifted, the legacy of the pandemic has been to cause significant workload challenges for our members as the rebound in demand for healthcare services has been extensive.

We must pay tribute to the hard work of pharmacists and pharmaceutical scientists and all those in the pharmacy community who have worked tirelessly to deliver health and wellness services to the public during this difficult time.

Our annual report will cover in more detail the activities that RPS has undertaken in the year to support our members and how we have worked in partnership and collaboration with colleagues across the healthcare landscape to help improve the lives of the public. This report is therefore purposefully limited in its scope and we will focus on the financial performance of the organisation.

Maintaining focus on the five-year strategic goals identified by Assembly in 2021 has enabled the organisation to strengthen further its financial position. During a year when many of the markets in which the RPS operates were either very slow to recover, or in some cases declining further, we were able to grow total revenues above the prior year to £25m and exceed budget by £0.9m (4%). Beneath these figures there is a story of continued positive variance to budget from our publishing activities, notably from MedicinesComplete (our digital medicines information suite) which reflects

the value that healthcare professionals place on access to trusted and definitive sources of online drug and healthcare information. Our publishing activities continue to support the RPS in pursuit of our vision to become the world leader in the safe and effective use of medicines.

Our income from member fees were broadly flat year-on-year. While we saw growth in various categories of membership, total paying membership fell by 3.7% year-on-year to 26,137. The majority of those not renewing cited that they were either leaving the profession (as a consequence of retirement or career change) or the financial pressures they were under had meant many were having to make very difficult decisions about where to deploy any discretionary income they may have left after paying household bills, insurances fees, travel costs etc. This is the reality of the environment voluntary membership organisations find themselves in currently and means we must work even harder to demonstrate value. It has, however, been encouraging to see that the number of Foundation Trainees has continued to grow as the organisation has invested in the development of its education and professional development activities, building on our work in curricula development and focusing on early careers.

Tight control over overheads has been a continual theme for RPS over the last few years and, in 2022, this continued. While total overheads exceeded budget by £0.25m, this was largely because of a conscious effort to utilise forecast surplus from revenues to undertake various essential activities such as addressing essential property maintenance items as well as operational expenditure associated with technology. In contrast, there was underspend against budget in travel, committee costs, office expenditure and various other related budgets. Underspend in various budgets was repurposed into other critical activities such as our work on developing further our content management system, our customer relationship management tools and our new ways of working, including a low-cost repurposing of our office facility in London.

Employee costs were kept under budget (6%) despite significant inflationary pressures, by controlling temporary staff costs and managing our vacancy rate carefully, particularly towards

the back end of the year when UK inflation went above 10%. We have not done this at the expense of underinvesting in our people, who we have taken steps to recognise appropriately in pay awards while operating prudently and within our means.

RPS investments have weathered the very turbulent financial situation well with the value at end of year (£11.3m) being only slightly down on the figure at the close of 2021 (£0.2m). In accordance with our concern for the environment and our climate declaration, our investment fund resides in a diversified growth fund that meets appropriate tests for Environmental, Social and Governance (ESG) factors. As global stock markets remain highly volatile and inflation continues at time of writing to remain above 10%, our Finance and Investment Committee and Assembly will maintain careful monitoring of performance.

Our cash flow has been well managed through the year finishing £3.6m above that planned at the start of the year at just over £5.7m. Additionally, our focus on bad debt provision has also meant RPS has minimised any exposure to customers not paying their debts in these difficult times and our management of depreciation and prudent application of impairment, such as those associated with technology assets, means that RPS ended the year in a strong position and able to weather more turbulent economic events that may lie ahead as the war in Ukraine continues.

Because of this year's financial performance, we are pleased to report yet another consecutive year of surplus at £0.7m, which is some £0.5m higher than budget, and we would particularly like to give thanks to all of the teams across RPS who have contributed to this result. Any surplus we generate enables RPS to reinvest in its products and services for the benefit of members, the profession and ultimately the delivery of our mission and vision.

We do recognise, however, that there is still much work for us to do in our leadership role. During the year, the organisation came under criticism for not being as open and transparent or as engaging with members on some of the key decisions taken by our governance members as may be

expected. We commissioned an independent report into our strategic communications and membership participation and accepted in full the recommendations which we are now acting upon. Additionally, the four UK Chief Pharmaceutical Officers commissioned a report into the future of pharmacy professional leadership which at time of writing has just reported. We engaged fully in the work of the Commission to the extent we were able, while not having organisational representation upon it, submitting a detailed paper on what we believe is required to strengthen leadership and are pleased that the report from the two co-chairs of the Commission largely agrees with our view. We are currently exploring their proposals and possible alternatives to support greater collaboration across all professional leadership bodies, other specialist groups and other stakeholders in more detail and are committed to playing our part in strengthening the voice of the profession, all of which further contributes towards achieving the vision and mission that RPS is committed to.

A resilient, viable and sustainable RPS is necessary for a strong, independent voice for pharmacy, and we are pleased that this set of financial results affirms that RPS has the financial assets and resource to do what is necessary on behalf of its members and in the interests of the public good.



**CLAIRE ANDERSON, FRPHARMS,
FFRPS, FFIP, FRSPH**
PRESIDENT



PAUL BENNETT, FRPHARMS
CEO

Report of the Assembly

The Assembly presents its report and the audited financial statements of the Royal Pharmaceutical Society of Great Britain, trading as the Royal Pharmaceutical Society ("the RPS") for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Royal Pharmaceutical Society is the professional leadership body for pharmacists and pharmacy in Great Britain. We advance the profession of pharmacy for public and patient benefit to secure the future of the profession and our members.

We lead and promote the advancement of science, practice and education in pharmacy to shape and influence the future delivery of pharmacy-driven services.

We support and empower our members to improve health outcomes for society through professional guidance, networks and resources.

We do this by providing:

Leadership

We ensure the voice of the whole profession is heard at the highest levels of healthcare and government through our responses to consultations, influencing policy development and through our expert advisory panels.

Professional recognition

We provide our members with professional recognition through post nominals. We are developing curricula and credentials for pharmacists enabling recognition for their level of practice by employers, commissioners, patients and the public. Our expert members regularly appear in the media to ensure the public has the best information when medicines are in the news.

Networking

RPS local groups have been formed to enable professional conversations which will be further enhanced by our online community.

Support and development

We produce professional guidance and support tools to develop and supplement our members' skills and knowledge. We work in collaboration with other royal colleges to develop guidance that supports effective patient care.

Medicines Information

We provide healthcare professionals, students and scientists with the most trusted and usable data, information and therapeutic guidance on drugs and medicines.

LEGAL STATUS

The RPS is governed by a framework comprising its Royal Charter. This is underpinned by regulations, rules and byelaws. The RPS was founded in 1841 and incorporated by Royal Charter in 1843. The RPS's current Charter was granted in 2004 and was amended on 27th September 2010 to remove the RPS's regulatory powers, which transferred to the General Pharmaceutical Council ("GPhC") at that date.

GOVERNANCE

The Assembly agrees the overall strategy and top-level objectives, with pharmacy policy-making at national level being the delegated responsibility of the National Boards. The National Boards in turn set pharmacy policy and objectives within the overall strategy and ask the relevant National Director to implement them.

The Assembly also delegates responsibility for the strategic direction of the Pharmaceutical Press to the Pharmaceutical Press Board.

The Assembly elects every two years the President and Treasurer, who constitute the Officers.

CHAIRS AND OFFICERS GROUP

The Assembly authorises a group comprising the Officers and Board Chairs to:

- appoint the Chair and members of the Finance and Investment and Audit and Risk Committees;
- deal with issues arising which require an urgent response that do not fall within the delegated authorities of other governance bodies. Where this concerns new policy, actions would be subsequently ratified by the Assembly as appropriate;
- deal with matters delegated by the Assembly; and
- communicate immediately to the members of the Assembly any actions/decisions agreed, unless precluded from doing so by confidentiality.

FINANCE AND INVESTMENT COMMITTEE

The Committee was formed in 2018. In addition to the four members of the Assembly and/or National Boards and the Treasurer, two new independent members joined the Committee in 2022.

The Finance and Investment Committee is established to:

- review the proposed budget and its alignment with approved business plans in advance of each financial year and report its opinion to the Assembly prior to the budget being signed off;
- monitor the integrity of the financial statements, including reports on financial performance, reviewing significant reporting issues and judgements which they contain, assess and make recommendations to the Assembly on any significant variances against approved budgets;
- recommend to the Assembly approval of the annual financial statements;
- assess the adequacy of internal and external financial reports and that reports are accurate and timely, assess the effectiveness and adequacy of accounting, financial and operating controls and satisfy itself that the annual financial statements represent fairly the financial position of the RPS;
- review significant accounting policies and procedures and recommend changes to the Assembly review and monitor the appropriateness of the RPS's financial reserves policy;
- monitor the effectiveness of the arrangements

in place to secure economy, efficiency and effectiveness, and value for money;

- to oversee short and long-term investments;
- review the investment strategy and make recommendations to the Assembly for change where deemed appropriate, review the current Statement of Investment Principles (SIP) and recommend changes as required for consideration by the Assembly;
- review the implementation of approved capital projects to determine if the agreed objectives are being achieved and review post-implementation reports;
- monitor the Society's investment portfolio;
- ensure that the portfolio is performing to expectations;
- assess if the policy between asset classes and asset managers is deemed appropriate;
- monitor the exercise of the investment powers that have been delegated to the fund managers;
- appoint (and when necessary dismiss) the investment managers and investment consultants;
- review the appropriate amount of funds to deposit with the Fund Manager periodically balanced against the competing needs for investment in the RPS and cash flow forecasts; and
- review the investment in property assets and the balance between this and other investment options.

The Finance and Investment Committee met three times in 2022 and the following issues were considered:

- Financial performance. Regular reviews of the RPS's financial performance for 2022.
- Three-year business plan. Review of the financial plans on behalf of the Assembly, where ultimate fiduciary duty lies.
- Investment strategy. The annual review of the investment fund's overall objectives and performance was also undertaken.

AUDIT AND RISK COMMITTEE

The Committee comprises two appropriately skilled members of the Assembly who are not Officers of the RPS or Board Chairs, one lay member of the Assembly, one external, appropriately skilled, lay Chair and one additional external member who has finance and audit expertise.

The Audit and Risk Committee is established to:

- advise on the appointment of external financial auditors;
- set the remit for the audit;
- review, with the auditors, the outcome of the audit and satisfy itself that the management response to any issues raised is appropriate;
- instigate internal audits of any processes it deems appropriate and satisfy itself that the management response to any issues raised is appropriate;
- monitor the integrity of internal controls, including review of internal audit and other management reports on the effectiveness of the systems of internal control;
- keep under review the Risk Register and advise the Assembly accordingly;
- ensure the RPS's procedures for ensuring legal compliance in all areas are implemented and enforced;
- ensure appropriate arrangements for staff to raise concerns about possible improprieties;
- review anti-fraud and whistleblowing policies;
- assess the scope and effectiveness of the systems designed to identify, assess, manage and monitor significant risks.

The Audit and Risk Committee met three times during 2022 and the following issues were considered:

- Risk Management and Business Continuity. As the RPS evolves as a business, so do the risks it faces. The committee continued to ensure that the Executive Team and Assembly maintained awareness of the key risks facing the RPS and that suitable action plans were in place to deal with them.
- External Audit. Members noted the post-audit report for the 2021 audited accounts.

- Internal Audit. With the Committee's input, the programme of internal audit work continues to test a range of financial and non-financial systems and processes, thus providing assurances that they are robust, and where weaknesses are uncovered, the necessary changes are made.
- Cyber-crime and IT Security. The Committee continues to monitor the threat of cyber-crime as the organisation continues to evolve in an increasingly digital data-driven world. Mitigating cyber risks and preventing attacks by way of a cyber risk management strategy helps identify the risks and put the correct defences in place.
- Data Protection. The Committee continues to ensure that privacy is embedded into any new processing or product that is deployed and has clear policies to ensure the RPS reacts quickly to any data breach.

RISK MANAGEMENT

The RPS policy on risk management continues to be reviewed to ensure that it meets the requirements in terms of identifying risk across the organisation and that the control and assurance measures in place are appropriate and proportionate to deal with these risks. The consideration of risk is embedded across the organisation and is reviewed monthly by the Executive and at the Audit and Risk Committee and the Assembly meetings.

In the area of business continuity, the plans are subject to continual review. It will be necessary to test the current plans and to engage on an exercise to communicate the plans to managers and other staff.

The IT architecture has also been significantly improved with automatic failover in the event of a problem with an internet connection and increased capacity to improve resilience at all locations. The security of the RPS Museum and Library assets, hardware and staff are covered by an extensive range of security devices at the London headquarters.

Some of the areas which pose a higher risk to the RPS business plan are as follows:

- member retention and recruitment;
- competition from other bodies within the pharmacy sector;
- cyber-crime and IT security;
- security of assets and information; and
- potential increase in pension costs.

The RPS has a robust governance process to ensure that investments being made achieve the objectives set.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the President, the Treasurer, the Chairs of the three National Boards and one lay member. The Committee agreed that a 5% basic salary increase will be budgeted for 2023. A salary increase will apply to all staff.

THE EXECUTIVE TEAM

Consisting of the Chief Executive and Directors, the Team has delegated responsibility for the day-to-day management of the RPS. The Executive Team in turn provides the Assembly, boards and committees with sufficient information on a timely basis in regard to the performance, financial condition, operating results and prospects of the RPS to enable the organisation to fulfil its governance responsibilities.

Each year, there are three formal meetings of the Assembly as well as one strategy day. Further meetings of the Assembly can be called if necessary.

PENSION SCHEME

THE RPSGB DEFINED BENEFIT SCHEME (CLOSED TO NEW ENTRANTS IN 2012)

The latest information on the pension scheme is given below:

There was a triennial Actuarial Valuation, (as at 31st December 2021), undertaken on behalf of the Trustees in 2022. The Assembly and Trustees at that time agreed that the annual contribution would decrease to £300,000 per annum from 2023 to 2026. This triennial Actuarial Valuation, (as at 31st December 2021) has been agreed in advance of the Pension Regulator's March 2023 deadline.

The Trustees, in consultation with the RPS, have maintained the mid- to long-term strategy to de-risk the Scheme's assets and more closely match its liabilities. Both the Trustees and the RPS recognise the problems financial market volatility can cause in pension funding and planning.

The strategy implemented during 2011 to move from equities to bonds when key trigger points in relative bond/equity positions are reached, has been continued. This was continuously reviewed at Trustees' meetings based on sound advice from actuarial and financial advisors and amended if decided appropriate and in the best interests of the Scheme.

In previous years, the Trustees have undertaken a 'buy-in' in respect of the current pensioners to remove the risk of increased costs arising from extended life projections. The 'buy-in' represents an insurance policy that would pay an annuity to the fund and does not favour any particular group of pensioners. It was not economic to do the same for deferred pensioners as the insurance pricing for the uncertainty of this group was cost prohibitive.

More information regarding the Pension Scheme can be found in note 19 to the Financial Statements. This information includes disclosures required by FRS102.

FINANCIAL RESULTS

The operating surplus for 2022 is £1,316,000. The comparative result for 2021 was a surplus of £1,297,000. Prior to any movements arising from revaluations to property or the Defined Benefit pension scheme this surplus was £740,000. The comparative result for 2021 was a surplus of £763,000.

Total revenues increased by £307,000 from £25,294,000 to £25,601,000 in the year. Publishing revenues were broadly flat at £18,533,000 with all major revenue lines increasing year-on-year. Membership numbers fell slightly over the year, and we have 38,193 total members at the end of 2022 compared with 38,630 at the end of 2021. We have seen growth in Student, Foundation Trainee, Fellow, Pharmaceutical Scientist and Associate membership categories, however, the full member category, which is the largest category, remains a challenge. Membership revenues were broadly flat at £4,690,000 (2021: £4,697,000) owing to increased fees and upgrades from Foundation Trainee (Associate) to Member. These positive revenues, coupled with good cost control across the organisation, maintained throughout the year, have allowed us to continue investing in membership and publishing products and services. A more detailed analysis of income and expenditure is included in note 2 to the Financial Statements to enhance transparency and help with the interpretation of the financial information.

During the year, the Society disinvested from the Legal & General investment fund in July 2022, in order to comply with the Society's Climate Emergency Declaration. The Society also sold its investment property in Lambeth in July 2022 for £960,000. The combined proceeds were reinvested into the Society's main investment fund with Ruffer, which already fully integrates the principles of ESG, with equity exclusions on companies in the following sub-sector classifications: Integrated Oil & Gas, Oil: Crude Producers, Offshore Drilling and Other Services, Oil Refining and Marketing, Oil Equipment and Services, Pipelines and Coal. There are also exclusions on tobacco. Excluding these incremental investments, the Ruffer fund remained broadly flat, closing the year at £11,340,000 (2021: £11,501,000).

After incorporating losses on investments, interest and the tax liability for the year, the final result is a surplus of £1,184,000. The comparative result for 2021 was a surplus of £2,008,000.

The defined benefit pension scheme, under FRS102 as at 31st December 2022 indicated an actuarial surplus of £4,781,000 (2021: £3,513,000 surplus). There was a large fall in the Defined Benefit obligation liabilities and a large fall in assets, which is primarily driven by a large increase in discount rate driven by increases to underlying yields. This will be partially offset by inflation experience based on September 2022 inflation data. Under the Scheme regulations, the Society can only recognise a plan surplus as a Defined Benefit plan asset to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Consequently, the defined benefit plan asset has been capped at £nil on the balance sheet.

It is important to note that the RPS actuarial valuation is prepared in accordance with FRS102. These standards require the use of different assumptions to those used by the Scheme actuary acting on behalf of the Trustee for the RPSGB Pension Scheme. As a consequence, these valuations produce very different outcomes with the actual Scheme remaining in actuarial deficit and the Society needing to continue to make contributions.

Total funds have increased in the year to £31,801,000 (2021: £31,108,000).

In conclusion, the RPS remains strong financially, despite challenging economic and political conditions in the UK and globally.

STATEMENT OF THE ASSEMBLY'S RESPONSIBILITIES FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Assembly is responsible for preparing the Report of the Assembly and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

By Royal Charter, the Assembly is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the RPS and of the income and application of resources, including the income and expenditure, of the RPS for that period.

In preparing these financial statements, the Assembly is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether United Kingdom Accounting Standards (FRS102) 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 RPS will continue in operation.

The Assembly is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RPS. They are also responsible for safeguarding the assets of the RPS and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Assembly members confirms that:

- so far as the member is aware, there is no relevant audit information of which the RPS's auditor is unaware; and
- The member has taken all the steps that he/she ought to have taken as a member in order to make himself/herself aware of any relevant audit information, and to establish that the RPS's auditor is aware of that information.

The Assembly members are responsible for the maintenance and integrity of financial information included on the RPS website. Legislation in the

United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Assembly



Sibby Buckle

Treasurer

29th March 2023



Paul Bennett

Chief Executive

29th March 2023

Independent auditor's report to the Assembly of the Royal Pharmaceutical Society of Great Britain

OPINION

We have audited the financial statements of the Royal Pharmaceutical Society ("the RPS") for the year ended 31 December 2022 which comprise the statement of income and retained earnings including the statement of other comprehensive income, the balance sheet, the statement of cash flows and the related notes, 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 RPS's affairs as at 31 December 2022 and of its surplus of income over expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 RPS in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Assembly's 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 RPS'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 Assembly with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The members of the RPS are responsible for the other information. The other information comprises the information included in the report of the Assembly and the Letter from the President and Chief Executive other than that within the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the RPS and its environment obtained in the course of the audit, we have not identified material misstatements in the annual report. We have nothing to report in respect of the following matters where we are required 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
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE ASSEMBLY

As explained more fully in the statement of the Assembly's responsibilities, RPS's members 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 members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether owing to fraud or error.

In preparing the financial statements, the members are responsible for assessing the RPS'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 members either intend to liquidate the RPS 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 owing 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.

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:

- we obtained an understanding of the legal and regulatory frameworks applicable to the RPS and the sector in which it operates. We determined that the following laws and regulations were most significant: the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), anti-bribery regulations, employment law, health and safety legislation and data protection regulations.
- we understood how the RPS is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Assembly minutes and papers provided to the Audit and Risk Committee.

- we assessed the susceptibility of the RPS's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
 - understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgements made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

We did not identify any irregularities, including fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

USE OF OUR REPORT

This report is made solely to the members of the Assembly, as a body, in accordance with the Bye Laws of the RPS. Our audit work has been undertaken so that we might state to the RPS'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 RPS and the RPS's members as a body, for our audit work, for this report, or for the opinions we have formed.



BUZZACOTT LLP
 STATUTORY AUDITOR
 130 Wood Street
 London
 EC2V 6DL

Statement of income and retained earnings

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000s	2022 £000s	2022 £000s	2022 £000s	2022 £000s	2021 £000s
		GENERAL RESERVE	PENSIONS RESERVE	INVESTMENT RESERVE	PROPERTY RESERVE	TOTAL	TOTAL
Income	2	24,931	552	118	-	25,601	25,294
Expenditure	2	(24,191)	-	(94)	-	(24,285)	(23,997)
Operating surplus		740	552	24	-	1,316	1,297
Decrease in provisions	14	-	-	-	-	-	103
Net investment (losses) / gains	9	-	-	(132)	-	(132)	608
Surplus / (deficit) on ordinary activities before taxation	4	740	552	(108)	-	1,184	2,008
Taxation	5	-	-	-	-	-	-
Surplus / (deficit) on ordinary activities after taxation		740	552	(108)	-	1,184	2,008
Transfers between funds		(159)	-	159	-	-	-
Other comprehensive income							
Property revaluation (loss)		-	-	-	-	-	(3,270)
Pension scheme actuarial (loss) gain	19	-	(552)	-	-	(552)	2,009
Deferred tax	18	-	396	(214)	(121)	61	(377)
Retained surplus / (deficit) for the year		581	396	(163)	(121)	693	370
Reconciliation of funds							
Total funds brought forward		17,431	490	11,503	1,684	31,108	30,738
Accumulated funds as at 31 December		18,012	886	11,340	1,563	31,801	31,108

Balance sheet

AS AT 31 DECEMBER 2022

	Note	2022 £000s	2022 £000s	2021 £000s	2021 £000s
Fixed Assets					
Heritage Assets	6		3,500		3,500
Intangible assets	7		247		939
Tangible assets	8		17,272		17,649
Investments	9		11,340		11,502
			32,359		33,590
Current assets					
Stock	10	71		39	
Debtors	12	4,694		4,494	
Cash in hand and at bank		5,703		3,886	
		10,468		8,419	
Creditors: amounts falling due within one year	14	(3,093)		(3,033)	
			7,375		5,386
Net current assets					
Total assets less current liabilities			39,734		38,976
Creditors: amounts falling due after one year			(50)		(50)
Deferred income	13		(7,775)		(7,649)
Provisions	14		-		-
Deferred tax (liability) asset	18		(108)		(169)
			31,801		31,108
Funds employed					
Accumulated fund			18,012		17,431
Property revaluation reserve	17	1,563		1,684	
Investment reserve:					
Historical cost	16	9,659		7,686	
Revaluation reserve	16	1,681		3,817	
			12,903		13,187
Total funds before pension asset			30,915		30,618
Pension scheme reserve			886		490
Total funds including surplus/deficit on pension scheme reserve			31,801		31,108

The financial statements were approved by the Assembly on 29th March 2023 and were signed on its behalf by Claire Anderson and Sibby Buckle:



**Claire Anderson, FRPharmS,
FFRPS, FFIP, FRSPH**
President



Sibby Buckle
Treasurer

Statement of cash flows

YEAR TO 31 DECEMBER 2022

	Note	2022 £000s	2021 £000s
Cash flows from operating activities:			
Net cash provided by operating activities	A	1,491	3,275
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(79)	(10)
Payments to acquire intangible fixed assets		7	(133)
Payments to acquire investments		(12,486)	(7,544)
Receipts from disposal of investments		13,218	6,106
Investment income received		118	142
Net cash (used in) investment activities		778	(1,439)
Change in cash and cash equivalents in the year		2,269	1,836
Cash and cash equivalents at 1 January 2022	B	4,683	2,847
Cash and cash equivalents at 31 December 2022	B	6,952	4,683

Notes to the cash flow statement

YEAR TO 31 DECEMBER 2022

	Note	2022 £000s	2021 £000s
A. Reconciliation of net movement in funds to net cash provided by operating activities			
Net income before transfers		1,184	2,008
Pension adjustment		(552)	(474)
Amortisation charge		216	598
Depreciation charge		456	599
Impairment charge		483	373
Net investment (losses)/gains		(132)	(608)
Loss on disposal of tangible fixed assets		-	51
Investment income		(118)	(137)
(Increase)/decrease in stocks		(32)	60
(Increase)/decrease in debtors		(200)	235
Increase in creditors		186	570
Net cash inflow from operating activities		1,491	3,275

	At 31 December 2022 £000s	At 31 December 2021 £000s
B. Analysis of changes cash and cash equivalents		
Cash at bank and in hand	5,703	3,886
Cash held by investment managers	1,249	797
Total	6,952	4,683

Notes to the financial statements

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below. The policies have been applied consistently throughout the year.

A ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The accounts have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102). The accounts are presented in sterling and are rounded to the nearest thousand pounds.

B GOING CONCERN AND AREAS OF CRITICAL JUDGEMENT

The Assembly members have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Assembly has made this assessment in respect to a period of one year from the date of approval of these accounts.

The Assembly members have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the RPS to continue as a going concern. The Assembly have considered the impact of the ongoing COVID-19 pandemic but at the current time it is believed that the ongoing risks can be managed. The Assembly are of the opinion that the RPS will have sufficient resources to meet its liabilities as they fall due.

Preparation of the accounts requires the Assembly to make critical judgements and estimates. The items in the accounts where these judgements and estimates have been made include:

Licensing income. An element of the reportable licensing income is a combination of deferred and accrued income, as determined by the contractual terms of each agreement.

Property valuations. The properties were formally valued with professional assistance as at 31 December 2021 by a registered valuer at Pelham Lease Advisory in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation professional standards. A desktop valuation was undertaken as at 31 December 2022. The Assembly has considered general market conditions and note there is independent evidence to suggest that property values have not materially changed. In light of this, the Assembly has concluded there is unlikely to be any material change in the carrying value of these properties since the last formal valuation.

C CAPITALISATION POLICY

All assets costing more than £500 and with an expected useful life exceeding one year are capitalised.

D HERITAGE ASSETS

The RPS's heritage assets comprise collections of books, drug jars, silver plates and general artefacts. Any additions to the collection are now received by way of donations. See note 8 for further information.

Heritage assets have been recognised in the balance sheet separately from other assets at a valuation that reflects the value of the asset at the time it was acquired by the charity. The assets have been valued by St George Valuations, taking into account full market value. The work was begun in 2015 and was completed in early 2016. This was treated as deemed cost.

The RPS carries out an annual impairment review to assess whether a heritage asset is impaired and, if so, to recognise and measure the impairment loss.

E TANGIBLE FIXED ASSETS

Depreciation is calculated in order to write off the cost of tangible fixed assets, less their estimated residual values, in equal annual instalments over the expected useful economic lives of the assets.

The principal annual rates in use are:

	Annual rates
Freehold property	2%
Short leasehold	Over life of the lease
Plant and machinery	5%-20%
Office equipment	10% - 33%

No depreciation is provided on freehold land and no depreciation is provided on assets in the course of construction.

The RPS has adopted a policy of revaluation for its freehold properties. This asset class was revalued as at 31 December 2021 to fair value at the date of revaluation. In subsequent years, freehold properties will be held at revalued amounts less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations will be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The Assembly are of the opinion that there has been no material change in the carrying value of the properties since the last valuation. Further commentary is provided in the principal accounting policies under B).

F INTANGIBLE FIXED ASSETS

Intangible assets are initially recognised at the cost to the RPS of acquiring these assets. Amortisation of intangible fixed assets is calculated using the straight-line method to allocate the cost of the assets over their estimated useful lives.

Intangible assets which are technological in nature are assumed to have useful lives of five years and are amortised accordingly at an annual rate of 20%.

Intellectual Property assets, categorised under intangible fixed assets, are deemed to have a longer estimated useful life, and are amortised at an annual rate of 10%.

An annual impairment review is carried out for each asset after it has been brought into use to re-assess its remaining useful life and that it still meets the definition of an intangible asset. Provision is made for assets where the net present value of future benefits is less than the carrying value.

G INVESTMENTS

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

Where a portion of listed investments is to be sold for a cash drawdown to fund the RPS's operations in a period less than one year this is shown under current assets. Cash held by investment managers is also shown within current assets. The remainder of the listed investments are considered fixed asset investments.

The main form of financial risk faced by the RPS is that of volatility in equity and other investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

H STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value and after making due allowance for obsolete and slow-moving items. Materials and associated pre-press costs make up the unit cost of printed goods. In line with industry practice, the RPS is writing off publication editorial costs as incurred.

I INCOME

Income from professional activities and publishing is stated net of Value Added Tax, where appropriate, and represents the invoiced value of goods and services supplied.

Membership fees and other subscriptions are recognised in the statement of income and retained earnings in the year to which they relate on a pro rata basis, with the excess of receipts over income recognised carried forward in the balance sheet as deferred income.

Interest on loans and deposits is accrued as earned.

J REVENUE GRANTS

Revenue grants receivable are matched against the expenditure of the specific projects in respect of which they are granted. Where projects span more than one accounting period, any excess of grants received over expenditure incurred to date is carried forward in the RPS's Balance Sheet as a current liability.

K FOREIGN EXCHANGE

Assets and liabilities denominated in foreign currencies are translated into sterling using HMRC rates as at the balance sheet date. Foreign exchange differences are taken to the statement of income and retained earnings in the year in which they arise.

Forward currency contracts are a form of complex financial instrument. They are recognised at their fair value at the balance sheet date. Gains or losses arising during the year on such contracts are credited or debited to the statement of income and retained earnings.

L PENSION COSTS

The RPS operates a Defined Contribution arrangement for all eligible employees to which the RPS contributes varying percentages of salary depending upon the age of the employee. Contributions to the scheme are accounted for on an accruals basis.

As the Defined Benefit pension scheme accrual ceased from April 2012, there is no current service cost. The pension scheme assets are measured using fair values at each balance sheet date. The scheme's liabilities are measured using the projected unit actuarial method. Actuarial gains

and losses, in respect of the RPS's Defined Benefit scheme are recognised in other comprehensive income for the period. Other movements are allocated to the statement of income and retained earnings.

M DEBTORS

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

N CASH AT BANK AND IN HAND

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

O CREDITORS AND PROVISIONS

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the RPS anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

P FUND STRUCTURE

The investment reserve comprises two elements: the cost of the RPS's investments and the total return earned on those investments. Total return comprises two elements: a capital return and an income return.

Q OPERATING LEASE RENTALS

Operating lease rentals are charged to the statement of income and retained earnings over the lease term on a straight-line basis.

R DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the RPS's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

2 Income and expenditure

FOR THE YEAR ENDED 31 DECEMBER 2022

From professional body activities	Income		Expenditure	
	2022 £000s	2021 £000s	2022 £000s	2021 £000s
Professional Member fees	4,690	4,697		
Assembly	-	-	50	49
Chief Executive's Office	-	-	1,228	1,030
Pharmacy and Member Experience	360	170	3,651	3,259
Education	913	1,153	1,277	1,607
Technology	-	-	2,372	2,561
Operations	468	138	3,525	3,656
Cost transfer to Pharmaceutical Press	-	-	(4,407)	(4,129)
Total from professional body activities	6,431	6,158	7,696	8,032
Pharmaceutical Press	18,500	18,525	12,088	11,758
Costs transfer to Pharmaceutical Press			4,407	4,129
Total Pharmaceutical Press	18,500	18,525	16,495	15,888
Total for the year	24,931	24,683	24,191	23,920

3 Information regarding employees

FOR THE YEAR ENDED 31 DECEMBER 2022

Employee costs represent	2022 £000s	2021 £000s
Wages and salaries	10,083	9,752
Social security costs	1,095	1,046
Pension costs	1,239	1,268
	12,417	12,067

The number of persons employed by the RPS at the end of the year was:	2022 No.	2021 No.
Chief Executive's Office	8	10
Education	12	11
Pharmaceutical Press	107	95
Pharmacy and Member Experience	49	48
Operations	12	13
Technology	24	17
	212	194

Monthly average of employees in post during the year	2022 No.	2021 No.
	205	209

Chief Executive and Directors' remuneration	2022 £000s	2021 £000s
Basic salaries	1,482	1,455
Benefits	6	5
Pension contributions	90	95
	1,578	1,555

Chief Executive and Directors' remuneration, excluding employer pension and national insurance contributions, fell within the following ranges	2022 No.	2021 No.
£1-£70,000	2	2
£70,001-£80,000	2	2
£80,001-£90,000	2	1
£90,001-£100,000	4	3
£100,001-£110,000	-	2
£110,001-£120,000	1	2
£120,001-£130,000	1	1
£130,001-£140,000	-	1
£140,001-£150,000	1	1
£150,001-£160,000	2	-
	15	15

4 Surplus on ordinary activities before taxation

This is stated after charging:	2022 £000s	2021 £000s
Operating lease rentals	-	42
Depreciation of fixed assets	671	1,197
Auditor's remuneration:		
Buzzacott LLP: audit services:		
Current Year	32	29
Buzzacott LLP: other services	22	17

5 Taxation

	2022 £000s	2021 £000s
Profit for the period	1,184	2,008
Expected tax charge at 19% (2021: 19%)	225	381
Effects of:		
Disallowable expenditure	253	305
Unrecognised deferred tax	(181)	(220)
Adjustment to opening deferred tax rate	730	(66)
Non-taxable income	(218)	(400)
Movement on pension scheme (see note 19)	241	471
Revaluation gains	-	180
Utilisation of brought forward tax losses	(1,050)	(651)
Actual tax credit	-	-

6 Heritage assets

The Museum of the RPS, established in 1842, has collections covering all aspects of British pharmacy history, including:

- traditional dispensing equipment
- drug storage containers
- fine "Lambeth delftware" dating from the 1600s and 1700s
- proprietary (brand name) medicines dating from the 1700s to present
- bronze and bell metal mortars
- medical caricatures
- a photo archive.

Preservation and management

The Museum's curators are responsible for maintaining the Museum's register of objects. There are around 45,000 objects within the collection, of which only a sample is on display at any one time. Objects in the stored collections are available to be viewed by appointment.

The RPS elected to value these heritage assets in the year to 31 December 2015, and this is treated as deemed cost.

7 Intangible fixed assets

	INTELLECTUAL PROPERTY £000s	PRODUCT DEVELOPMENT £000s	TOTAL £000s
Cost			
As at 1 January 2022	240	1,630	1,870
Additions	-	7	7
Impairment	-	(624)	(624)
As at 31 December 2022	240	1,013	1,253
Depreciation			
As at 1 January 2022	97	834	931
Charge for the year	24	192	216
Impairment	-	(141)	(141)
As at 31 December 2022	121	885	1,006
Net Book Value			
As at 31 December 2022	119	128	247
As at 31 December 2021	143	796	939

8 Tangible fixed assets

	FREEHOLD PROPERTY £000s	PLANT & MACHINERY £000s	OFFICE EQUIPMENT £000s	TOTAL £000s
Cost				
As at 1 January 2022	16,134	2,082	985	19,201
Additions	-	-	79	79
As at 31 December 2022	16,134	2,082	1,065	19,280
Cost				
Cost	17,348	2,082	1,834	21,264
Valuation - 2020	3,454	-	-	3,454
	20,802	2,082	1,834	24,718
Depreciation				
As at 1 January 2022	-	747	805	1,552
Charge for the year	280	109	67	456
As at 31 December 2022	280	856	872	2,008
Net Book Value				
As at 31 December 2022	15,854	1,226	193	17,272
As at 31 December 2021	16,134	1,335	181	17,649

The RPS's freehold properties were revalued as at 31 December 2021, by a registered valuer, Pelham Lease Advisory, in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation professional standards. Market value was used as the basis for fair value. At acquisition, components of the properties were allocated to freehold

property and plant for the purposes of calculating depreciation. At revaluation, the loss was attributed to land and freehold property. The Assembly are of the opinion that there has been no material change in the carrying value of the properties since the last valuation.

9 Investments

	INVESTMENT PROPERTY £000s	LISTED INVESTMENTS £000s	TOTAL 2022 £000s	TOTAL 2021 £000s
As at January	960	9,746	10,706	9,105
Additions	-	12,486	12,486	7,543
Transfers	-	-	-	(441)
Disposal at book value (proceeds: £12,112,000 realised gains: £40,000)	(960)	(12,073)	(13,033)	(5,525)
Unrealised (losses)/gains	-	(68)	(68)	23
As at 31 December	-	10,092	10,092	10,705
Cash held for reinvestment	-	1,249	1,249	797
Total investments as at 31 December	-	11,340	11,340	11,501
Historical cost of investments as at 31 December	-	9,659	9,659	7,686

10 Stocks and work in progress

	2022 £000s	2021 £000s
Work in progress	6	5
Finished goods and goods for resale	65	34
	71	39

11 Debtors

	2022 £000s	2021 £000s
Trade debtors	2,604	2,658
Other debtors	-	30
Prepayments and accrued income	1,805	1,594
VAT debtor	285	212
	4,694	4,494

12 Creditors

Amounts falling due within one year	2022 £000s	2021 £000s
Trade creditors	1,351	1,309
Other taxes and social security	275	300
Other creditors	689	514
Accruals	778	910
	3,093	3,033

13 Deferred income

Income has been deferred as a result of the RPS receiving amounts in advance of the period that they relate to for activities that have been analysed below:

Deferred income	2022 £000s	2021 £000s
Subscription income	4,665	4,157
Licensing income	1,730	1,507
Membership income	570	570
Other income	810	1,415
	7,775	7,649

14 Provisions

	2022 £000s	2021 £000s
As at January	-	103
Additions	-	-
Released	-	(103)
As at 31 December	-	-

15 Financial commitments

The total future minimum lease payments over these periods are as follows

Operating leases due	2022 £000s	2021 £000s
Within one year	-	40
	-	40

16 Investment Reserve

The makeup of the investment reserve as at 31 December 2022 is	2022 £000s
Investment reserve as at 1 January 2022	11,503
Deferred tax	(214)
Net investment gains	(132)
Transfer from general reserve	159
Surplus of investment income over management expenses	24
	11,340

Unapplied total return available within the investment reserve	INCOME RETURN	CAPITAL RETURN	TOTAL
	£000s	£000s	£000s
As at 1 January 2022	280	3,152	3,432
Returns in the period	25	(131)	(106)
Returns released to the general reserve	-	-	-
As at 31 December 2022	305	3,021	3,326

17 Property revaluation reserve

The makeup of the property investment reserve as at 31 December is	2022 £000s	2021 £000s
As at 1 January	1,684	4,689
Property revaluation (loss)	-	(2,829)
Deferred tax	(121)	(176)
As at 31 December	1,563	1,684

18 Deferred Tax Asset / (Liability)

	2022 £000s	2021 £000s
Opening deferred tax liability	(169)	208
Pension scheme liability	396	149
Investment movements	(214)	(350)
Property revaluation	(121)	(176)
Actual tax charge	-	-
Total net deferred tax liability	(108)	(169)

19 Pensions

Payments into the defined contribution/Group Stakeholder Pension Plan scheme of £539,000 (2021: £568,000) were due in the year, of which £97,000 (2021: £94,000) were outstanding at year end.

The RPS Staff Pension Scheme is a Defined Benefit scheme closed to new entrants. The assets of the scheme are held separately, under the control of its Trustees, and the RPS does not have access to these funds. An actuarial assessment was carried out as at 31 December 2021.

In April 2012, the RPS closed the Scheme to future accrual, but continues to look at ways to reduce its exposure to the Scheme and limit the cost of maintaining the Scheme in the future. In accordance with the requirements of section 28 of FRS102, the Scheme actuary has carried out a valuation of the Scheme using the assumptions specified by the reporting standard. The assumptions used in calculating the expected return on assets and the Scheme's liabilities are detailed in the following disclosures.

The RPS valuation in accordance with FRS102 as at 31 December 2022 reveals a Scheme surplus of £4,781,000. This is a £1,268,000 improvement on the surplus of £3,513,000 disclosed as at 31 December 2021; these figures are quoted gross of deferred tax. In accordance with FRS102, an entity can only

recognise a plan surplus as a Defined Benefit plan asset to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Consequently, the Defined Benefit plan asset has been capped at £nil on the balance sheet.

As mentioned earlier, these standards require the use of different assumptions to those used by the actuary acting on behalf of the Trustee for the RPSGB Pension Scheme. As a consequence, these valuations can produce very different outcomes.

In addition to the contribution rates required to meet the cost of benefits earned by members in the future, the RPS continues to pay monthly contributions. From January 2023, these contributions will be set at a new agreed level of £25,000 per month until 2026. These contributions are designed to eliminate the shortfall revealed by the 31 December 2021 valuation.

The Employer will continue to monitor funding levels on, at least, an annual basis.

The total contributions for the year ended 31 December 2022 were £700,000.

	2022	2021
	£000s	£000s
A The amounts recognised in the balance sheet are as follows		
Present value of funded obligations	(39,112)	(64,521)
Fair value of plan assets	43,893	68,034
Derecognition of surplus	(4,781)	(3,513)
Net asset (liability)	-	-

	2022	2021
	£000s	£000s
B Changes in the present value of the defined benefit obligation are as follows		
Opening defined benefit obligation	64,521	71,595
Benefits paid	(2,299)	(2,474)
Administration costs	218	199
Interest cost	1,143	845
Actuarial (gain) loss	(24,471)	(5,644)
Past service costs including curtailments	-	-
Defined benefit obligation at end of year	39,112	64,521

	2022	2021
	£000s	£000s
C Changes in the fair value of the scheme assets are as follows		
Opening fair value of scheme assets	68,034	69,112
Interest income	1,213	818
Actuarial gain (loss)	(23,755)	(122)
Employer contributions	700	700
Benefits paid	(2,299)	(2,474)
Fair value of scheme assets at the year end	43,893	68,034

	2022	2021
	£000s	£000s
D The amounts included within the statement of income and retained earnings are as follows		
Past service costs including curtailments	-	-
Administration cost	(218)	(199)
Total amount charged within surplus as operating activities before tax	(218)	(199)

	2022	2021
E Analysis of pension finance costs	£000s	£000s
Interest on scheme assets	1,213	818
Interest on pension liabilities	(1,143)	(845)
Pension finance costs	70	(27)

	2022	2021
F Amount recognised in other comprehensive income	£000s	£000s
Actuarial (loss) gain on assets	(23,755)	(122)
Actuarial gain (loss) on liabilities	24,471	5,644
Actuarial gain recognised in other comprehensive income*	716	5,522

G The major categories of scheme assets as a percentage of total scheme	2022	2021
UK equities	6.80%	8.00%
Infrastructure funds	4.90%	5.50%
Short term credit	8.90%	10.60%
LDI	23.50%	21.50%
DGF	6.80%	14.30%
Insurance Contracts	31.00%	32.50%
Cash	18.10%	7.60%
Total	100.00%	100.00%

H Scheme principal assumptions at the balance sheet date (expressed as weighted averages)	2022	2021
Discount rate	4.80%	1.80%
Retail Prices Index (RPI) inflation	3.30%	3.40%
Consumer Prices Index (CPI) inflation	2.60%	2.60%
Rate of increase of pensions in deferment:		
LPI (max 3%) based on CPI	2.05%	2.20%
LPI (max 2.5%) based on RPI	2.10%	2.10%
LPI (max 5%) based on RPI	3.05%	3.15%

	2022	2021	2020	2019	2018
I Historical trends	£000s	£000s	£000s	£000s	£000s
Defined benefit obligation	39,112	64,521	71,595	65,052	68,433
Scheme assets	(43,893)	(68,034)	(69,112)	(63,105)	(64,239)
Surplus / (deficit)	4,781	3,513	(2,483)	(1,947)	(4,194)
Non-recognition of surplus	-	-	-		
Experience adjustments on scheme liabilities	24,471	5,644	(7,449)	(2,785)	373
Experience adjustments on scheme assets	(23,755)	(122)	6,666	3,575	1,538

J Life expectancy	2022	2021
Retiring Now		
Males	26.8	26.7
Females	29.2	29.2
Retiring in 20 years		
Males	28.6	28.5
Females	30.7	30.6

*As the pension scheme surplus is irrecoverable, recognition of the surplus on the balance sheet has been restricted to £nil by adjusting the actuarial gain.

20 Related Party Transaction

In 2022, payments for Board and Assembly related activities totalled £87,227 (2021: £86,211). These payments cover fixed allowances and expenses to undertake their roles, which may necessitate travel and accommodation to and from meetings where it is not possible or practical to participate remotely. Some members are released by employers, and certain members with extra responsibilities will be expected to represent RPS externally.

Thanks to their expertise within the pharmaceutical field, Assembly and Board members may also complete small pieces of editorial work or be engaged in the delivery of educational events on behalf of the RPS.

21 Member expenses

Member	Position held	Attendance Fees	Travel	Accommodation	Mileage	Subsistence	Parking	Other	Total
Ruth Edwards*	Assembly	1,161	100	194	-	15	-	113	1,584
Mary Lynne Smith	Assembly	2,947	55	315	-	-	-	-	3,317
Mike Hannay	Assembly	-	-	-	-	-	-	-	-
John Marriott	Assembly	-	-	-	-	-	-	-	-
David Carter	English Pharmacy Board	536	273	-	-	7	-	-	815
Brendon Jiang*	English Pharmacy Board	547	77	121	-	-	-	750	1,495
Ciara Marie Duffy	English Pharmacy Board	-	399	255	-	-	-	-	655
Emma Sarah Boxer	English Pharmacy Board	547	176	121	-	-	-	-	843
Ewan Maule	English Pharmacy Board	-	383	176	-	-	-	-	559
Michael Maguire	English Pharmacy Board	1,366	240	121	-	9	-	-	1,736
Paul Simon Summerfield	English Pharmacy Board	1,156	218	88	-	30	7	-	1,500
Adebayo Sulaiman Abayomi Adegbite	English Pharmacy Board	1,093	-	-	-	-	-	-	1,093
Mary Evans	English Pharmacy Board and Assembly	-	-	194	-	-	-	-	194
Martin Astbury**	English Pharmacy Board and Assembly	5,182	703	315	5	43	27	7,500	13,775
Sibby Buckle	English Pharmacy Board and Assembly	6,021	-	315	361	-	-	-	6,697
Claire Anderson***	English Pharmacy Board and Assembly	14,279	1,904	1,619	221	348	194	-	18,566
Erutase Oputu	English Pharmacy Board and Assembly	-	-	-	-	-	-	-	-
Andre Yeung*	English Pharmacy Board and Assembly	2,453	74	-	-	-	-	1,430	3,957
Thorrhun Govind	English Pharmacy Board and Assembly	6,831	716	481	-	17	-	-	8,044
Alisdair Jones***	English Pharmacy Board and Assembly	1,640	68	194	-	-	-	-	1,902
Lola Dabiri	Scottish Pharmacy Board	1,474	101	-	-	-	-	-	1,575
Tamara Cairney	Scottish Pharmacy Board	-	84	-	-	-	-	-	84
William Iain Bishop	Scottish Pharmacy Board	546	-	-	-	-	-	-	546
Catriona Sinclair	Scottish Pharmacy Board	335	-	165	-	-	-	-	500

Member	Position held	Attendance Fees	Travel	Accommodation	Mileage	Subsistence	Parking	Other	Total
Lucy Anne Dixon	Scottish Pharmacy Board	-	191	165	-	53	11	-	420
Jill Swan	Scottish Pharmacy Board	547	247	169	70	-	-	-	1,032
Jacqueline Sneddon	Scottish Pharmacy Board	-	-	-	-	-	-	-	-
Joshua Cowan Miller	Scottish Pharmacy Board	-	12	-	-	-	-	-	12
Richard John Shearer	Scottish Pharmacy Board	-	87	-	-	-	-	-	87
Kelsey Drummond	Scottish Pharmacy Board	-	-	-	-	-	-	-	-
Andrew Carruthers*	Scottish Pharmacy Board and Assembly	5,882	240	194	-	25	-	1,325	7,666
Audrey Thompson	Scottish Pharmacy Board and Assembly	-	307	194	150	-	23	-	674
Geraldine Mary McCaffrey	Welsh Pharmacy Board	1,072	28	-	-	12	-	-	1,112
Richard Evans	Welsh Pharmacy Board	1,895	46	240	433	-	-	-	2,614
Elizabeth Jane Hallett	Welsh Pharmacy Board	1,093	-	-	-	-	-	-	1,093
Gareth Hughes	Welsh Pharmacy Board	-	-	315	-	-	-	-	315
Dylan Jones	Welsh Pharmacy Board	-	-	326	-	-	-	-	326
Rhiannon Lloyd Evans	Welsh Pharmacy Board	-	-	-	-	-	-	-	-
Lowri Puw	Welsh Pharmacy Board	-	-	-	-	-	-	-	-
Rafia Jamil	Welsh Pharmacy Board	-	-	-	-	-	-	-	-
Jodie Gwenter	Welsh Pharmacy Board	-	-	-	-	-	-	-	-
Eleri Wyn Schiavone	Welsh Pharmacy Board and Assembly	1,461	-	326	148	-	11	-	1,945
Cheryl Way	Welsh Pharmacy Board and Assembly	-	204	281	-	7	-	-	492
		60,063	6,935	6,885	1,389	565	272	11,118	87,227

* Attendance amounts include other pieces of work undertaken, such as Community Pharmacy Consultation Service (CPCS) facilitation.

** Amounts include stipend as a member of the Publishing Board.

*** Attendance fees are paid direct to the Member's employer.

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