

The Pharmacy Practice Research Trust
Registered Charity No. 1076457



Medicines & People
Turning Knowledge Into Know-how

Annual Report and Financial Statements
Year ended 31st August 2006

haysmacintyre
Chartered Accountants
Registered Auditors

Chairman's Foreword

The last year has been a particularly successful one for the Trust in terms of achieving core objectives for the year and seeing to fruition and publication several topical and timely research projects, which have informed professional practice and development. Our charitable expenditure for the year was over £500,000. The Trustees would like to thank all the researchers for their hard work which has contributed not only towards professional codes of practice but to general discourse on health and patient centred care.

Changing health policy and the place of pharmacy within this evolving climate is a significant focus for the trustees and we recognise the need for robust research to help build NHS capacity and in the development of new pharmacy services. This can only be achieved through increasing our professional knowledge base and engaging the wider health care community.

The work over this reporting year demonstrates the trustees' commitment to these aims through the publication and promotion of research evaluating new services. Our work on supplementary prescribing represents this well.

This evaluative project examined the challenges faced by pharmacists in obtaining funding, the course itself and practicing as a supplementary prescriber across different sectors. The research was funded by Boots The Chemists and sets the precedence for partnership working and building research capacity through joint funding; a concept that the trustees hope to incorporate into future work programmes.

The findings highlight the role and impact that other health care professionals have on the developing roles of pharmacists and reflect some of the outcomes. A similar theme is reflected in the first report from the evaluation of the new contract for pharmacy and the development and commissioning of enhanced and advanced services.

The trustees recognise that for new services provided by pharmacists to be successful they must be cost effective and more importantly supported by patients. We are therefore particularly pleased to see the patient perspective coming through in much of the research published this year. This is in addition to work focused on patient safety and quality of care funded through the Galen and Sir Hugh Linstead Fellowship awards. This work and the work of all award holders supports the trustees' conviction that not only do the research awards help advance academic excellence but they provide the opportunity to explore local and often topical issues.

With new roles and increased contact with patients comes the requirement for new skills, knowledge and professional awareness. It is anticipated that our ongoing commissioned work on '*innovation in education*' will generate debate relating to many of these issues, for example, work addressing using e-learning and teaching communication skills. Increased contact with patients and interprofessional team working also brings with it the issue of ethics in practice and the Trust is delighted that this largely under valued subject is being addressed through academic PhD scholarships.

The well attended events we organised over the year, which showcase and promulgate the results of our funded research, received good feedback and we continue to be encouraged by the contribution these events make to pharmacy practice and debate. Notably this year the Trust hosted an event to disseminate work with patients with mental health problems and associated concordance with medication, a topical area of work in light of the forthcoming new mental health bill.

The underpinning pharmacy workforce, current and future, who support pharmacy services has also been investigated in this year's research programme. Work with undergraduates and registered pharmacists draw attention to the influences of undergraduate education on career choices and implications of feminisation of the workforce. The trustees now look forward to the completion of an unprecedented longitudinal study in 2009 which, it is anticipated, will provide a complete picture of influences on career choices over time (undergraduate to registration).

The work of the Trust relies on the support of others and as such the trustees would like to thank all the members of the steering groups for the time and effort in guiding the research and the peer reviewers for their practical and useful comments. Finally, the trustees would like to thank the Royal Pharmaceutical Society and the Leverhulme Trade Charities Trust for their continuing generous support.

P. L. Marshall Davies
Chair, Pharmacy Practice Research Trust

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REFERENCE AND ADMINISTRATIVE DETAILS:

Registered Charity Name	The Pharmacy Practice Research Trust
Registered Charity No.	1076457
Principal Address:	1 Lambeth High Street, London SE1 7JN
Trustees:	Mr Peter Curphey Mr Marshall Davies (Chair) Professor Brian Edwards Ms Christina Funnell Mr Bryan Hartley Mr Hemant Patel (ex-officio) Mr Kirit Patel Lord Peston of Mile End (until March 2006) Dr Rebecca Rosen (until July 2006) Professor Michael Schofield Professor Clive Smee (from March 2006) Baroness Tonge of Kew (until March 2006)
Trust Director:	Sue Ambler
Research Programme Co-ordinator:	Beth Allen
R&D Administrator: (until December 2005)	Lyn McCulloch
R&D Senior Administrator: (from March 2006)	Nana Clarke
Team Administrator:	Florita Sanz
Auditors:	haysmacintyre Fairfax House 15 Fulwood Place London WC1V 6AY
Solicitors:	Boyes Turner Abbots House, Abbey Street Reading RG1 3BD
Principal Bankers:	National Westminster Charing Cross Business Centre 2 nd Floor, Cavell House 2a Charing Cross Road London WC2H 0NN

OBJECTS

The objects of the Pharmacy Practice Research Trust (the “Trust”), as set out in its Charitable Trust Deed, is the relief of sickness generally in the United Kingdom and in particular but not so as to limit the generality of the foregoing:

- to promote research into the practice of pharmacy in the United Kingdom and to publish the useful results of such research;
- to promote the health of the public by educating pharmacists in order to improve the standard of healthcare available to the public; and
- to advance and promote knowledge and skill in relation to the practice of pharmacy for the public good.

AIMS

The Trust has set about identifying a programme of social and economic research that focuses on the use of medicines and their place in society more generally. Through its ***Medicines & People programme*** the Trust aims to:

- Provide opportunities for key stakeholders to develop a shared research agenda;
- Identify researchers with the right skills to address high priority research questions;
- Support the development of researchers with the right skills and leadership potential to take the field forward in the future; and
- Provide a forum in which the implications of the results can be considered in the widest possible policy context.

OBJECTIVES FOR THE YEAR

- Review the impact of the Medicines & People programme;
- Broaden the audiences for the planned events programme;
- Renew grants with the Leverhulme Trade Charities Trust;
- Complete contracting for the Learning from Innovation in Pharmacy Education Scheme; and
- Review Awards & Grants procedures to support Capacity Building.

REVIEW OF ACTIVITIES

When appraising the outcomes of research funded by the Pharmacy Practice Research Trust, as for many other charities, it should be considered that the research process is incremental, and the road to discovery and application can be long and complex. Therefore, the impacts of the Trust's funding are likely to be seen some time after the expenditure is committed – and the direct link to health outcomes may be seen only in generations to come¹.

Nevertheless, incremental findings of research underpin further research and provide the foundations for future improvements in health. This report highlights some of the achievements from work previously funded as well as work funded within the past year.

¹ Wellcome Trust Annual Report and Financial Statements 2005.

All trusts and foundations are in the business of bringing about some form of positive change and giving grants is the means by which we set out to do this. And yet, all too often grant makers focus on the giving itself rather than the outcomes of the giving. Having given, they frequently fail to ask the key question: has our grant made a difference?²

The Trust undertook an evaluation of events and activities during the reporting year 05/06 to provide evidence of impact of its communication and dissemination programme in relation to its objects. The evaluation also addressed capacity building in the Research and Development workforce.

Through their Medicines and People Programme the Trustees are committed to creating knowledge that “ensures that the right person gets the right medicine at the right time in a manner that meets the needs and expectations of the individual who will take it” and to ensuring that this knowledge is used appropriately to inform and shape policy and practice relating to medicines and their use.

The Medicines and People Programme addresses 5 related themes:

Programme 1 – The health of the public and the place of medicines will help us to understand the beliefs, expectations, skills, knowledge and competencies of the people who use and take medicines – the patients and their carers as well as the healthcare professionals.

Achievements from funding previously awarded include:

- Dr Marjorie Weiss' (University of Bath) research on *Exploring Innovation in Pharmacy Practice: A Qualitative Evaluation of Supplementary Prescribing by Pharmacists* identified that the opportunities presented by pharmacist's new responsibilities as supplementary prescribers are being held back due to inadequate support systems in the workplace and a lack of awareness of their role amongst patients and doctors.

There is evidence to suggest that the results of this research are impacting on local policy and practice with lessons influencing wider community implementation.

Programme 2 – The right medicine for the right patient: preventing medication errors will help us to understand the basis of clinical practice and services and the regulation and governance of the system.

Achievements from funding previously awarded include:

- The results of the study *A qualitative investigation of the underlying causes of drug related morbidity in primary care resulting in hospitalisation*, conducted by Rachel Howard (University of Nottingham), represent an important addition to our understanding of the contribution of human error as an underlying cause of

² Introduction to Monitoring & Evaluation. Association of Charitable Trusts, 1998.

preventable drug-related morbidity, and the factors which contribute to human errors occurring in the primary healthcare setting.

The Trust plan to publish this research in the reporting year 06/07.

Programme 3 – Pharmacy: a profession fit for purpose will inform the development of the contribution which pharmacy makes to the provision of high quality patient centred care. This programme is split into three areas – workforce, education and ethics.

Achievements from funding previously awarded include:

Workforce

- A study commissioned by the Trust is following a cohort of 2006 pharmacy graduates through the initial career choices made whilst in undergraduate education, pre-registration training and early years in practice.

The Trust launched the first set of published results from this 5 year study on pharmacy careers at a meeting held at the BMA on 27th March 2006. The report, which focuses on the early career choices of the 2006 graduate cohort, is the first in a series of five reports to be published over the next four years as this cohort completes its undergraduate and pre-registration education.

The results provide an interesting insight into the expectations and plans of the new graduates as they begin their preregistration year in order to register as a qualified pharmacist in 2007. The purpose of the meeting held was to share these results with staff in the schools of pharmacy, employers and others, and to provide an opportunity for discussion of the findings and potential implications.

Education

- The Trust held an afternoon seminar at the RPSGB on 19th September 2005 to launch the findings of the study *MPharm programmes: Where are we now?* undertaken by a team of researchers at Aston University.

This research provides baseline data on the current teaching, learning and assessment methods across all Schools of Pharmacy. In addition to reviewing documentation relating to the curriculum and delivery of the MPharm the project also interviewed key staff within schools and sought data on the students' experiences of the undergraduate programme.

Ethics

- PhD students, Ailsa Benson and Zuzana Deans presented their early findings from their PhDs *Pharmacy Values and Ethics: A Qualitative Mapping of the Perceptions and Experiences of UK Pharmacy Practitioners (2002-2006)* & *Ethical dilemmas in pharmacy practice (2002-2006)* respectively to the Royal Pharmaceutical Society's Welsh Executive to feed into the RPSGB's review of the code of ethics for pharmacy.

Programme 4 – Medicines and the health of communities will explore medicines and their place in addressing the wider health agenda relating to public health and tackling inequalities.

Results from ongoing projects under this research programme are not yet available.

Programme 5 – Science, technology and medicines will highlight how well the different systems meet the changing expectations of society and accommodate the challenges of a rapidly evolving scientific and technological agenda.

Achievements from funding previously awarded include:

- Dr Paul Martin cautioned that the high hopes for the transformation of medicine – through genetic testing, gene-based drugs, stem cells, gene therapy and other new developments – may not match realistic expectations of delivery. Rather than a revolution in medical treatment, Dr Martin argued in his report that it is much more likely to be a slow evolution. His report *Realising the potential of genomic medicine* focuses on which new therapies and diagnostics are likely to be available for the treatment of patients in the near future, ie. the next three to five years.

Capacity Building

The Trustees recognise that as in any field of academic endeavour, the quality of the research produced relies heavily upon the availability of a properly equipped research workforce. The Trustees are therefore committed to supporting the development and training of the research workforce. The Trust has a specific programme of research grants and bursaries, funded with grants from the Leverhulme Trade Charities Trust and the RPSGB.

CASE STUDY

Miss Tabassum Jafri, 2003 Research Training Bursary holder, undertook a MSc in Public Policy, based at University College London. Tabassum's final dissertation was entitled "Applying the Engeström's model of service development to the National Service Framework for Mental Health: a case study of Camden Primary Care Trust".

Tabassum applied for funding so that she may acquire new skills and knowledge necessary to undertake a practice based PhD, with the ultimate goal of pursuing a career in academia.

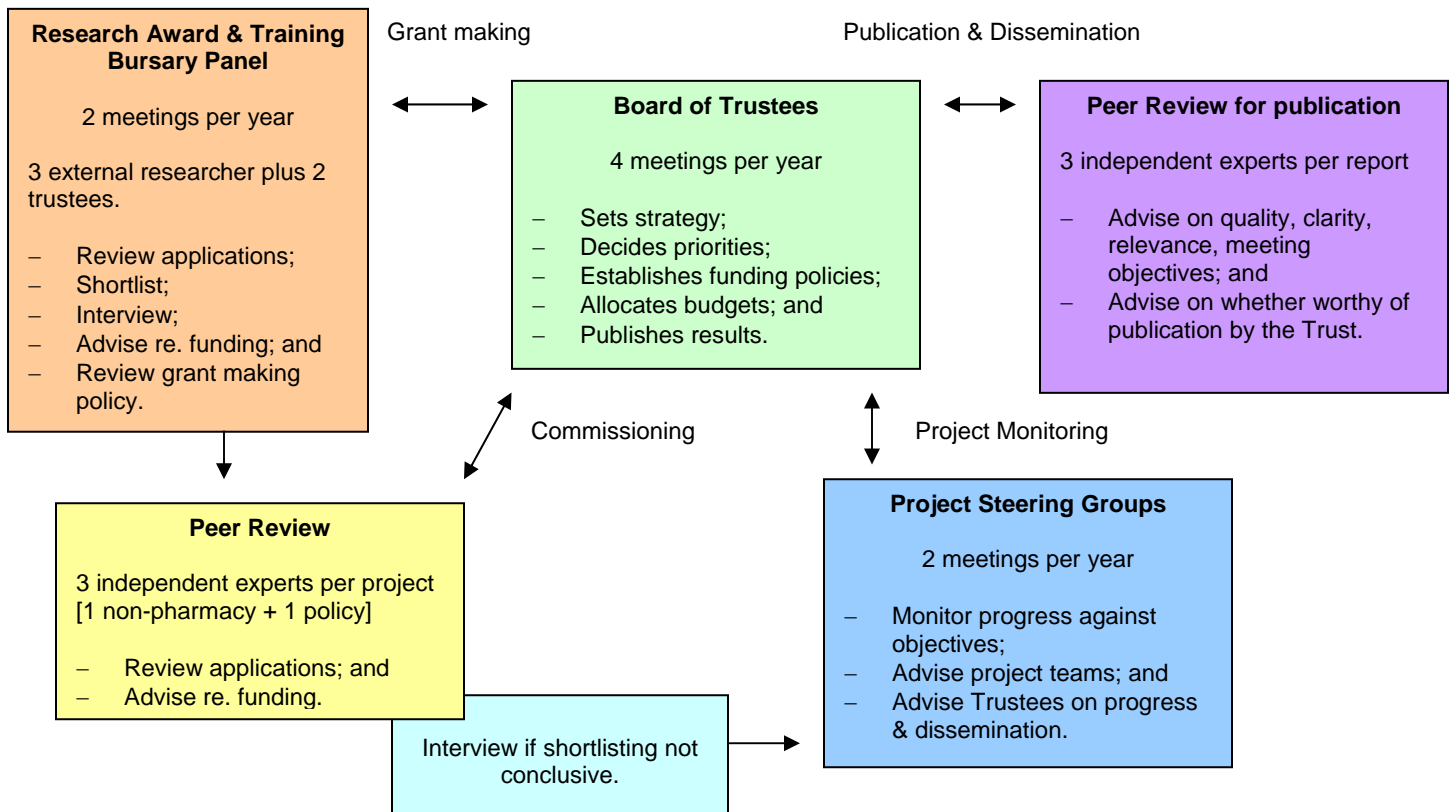
Following her MSc, Tabassum went on to gain publishing experience by working for Elsevier Ltd as a Drugs Editor for the online evidence-based clinical information tool, First Consult, for physicians in USA and Canada.

Tabassum is now going on to undertake a PhD at the Engineering Department, Cambridge University (Lucy Cavendish College). Her project is entitled “Improving Medication Safety”. This study is unique in taking a systems-wide view of the medication provision process across the UK healthcare sector. It will, thus, be the first study to provide a comprehensive view of medicines use and, consequently, will help to begin to bridge the gap between system boundaries that currently prevent effective solutions to medication error.

Tabassum was successful in obtaining a 2006 Galen Award from the Pharmacy Practice Research Trust to support her research costs for her PhD.

GRANT-MAKING POLICY

The Trust supports high quality research across pharmacy practice and the wider health services research. Both grant making & commissioning is done through a national competitive process. Grant making, monitoring, review and publication processes are outlined below:



PARTNERSHIPS

The Trustees are committed to working with other stakeholders in order to turn the knowledge into know-how which improves policy, practice and services and supports the process of innovation in healthcare. The Trust is always looking to work closely with potential sponsors to identify and develop workable projects and to engender ownership of the results. The Trustees aim to involve all stakeholders and sponsors in events to discuss emerging and final results from the projects funded by the Trust.

ACHIEVEMENTS AND PERFORMANCE

A number of achievements are outlined under the review of activities. An evaluation of events and activities during the reporting year 05/06 among participants and stakeholders has provided evidence of impact of the Trust's communication and dissemination programme in relation to its objects. Areas highlighted include:

Impact of research on individual practice and work – over half of the respondents (53%) to an impact evaluation questionnaire indicated that the results of research presented has influenced their practice or work:

“[the research findings] ensured focus of development meets research outcomes”

“[The research had influence] at a strategic pharmacy level within health service and it confirmed similar findings to a smaller study I have supervised”

“It [the research] will influence my work as a prescriber and as a lecturer on prescribing courses”

Changes to local policies or practice – a quarter of respondents considered some local change to policy or practice had taken place. This included areas such as incorporation of findings into teaching, influencing developing policy and the creation of collaborative projects.

Contribution to the aims of the Medicines & People Programme - nearly two-thirds (60%) of respondents considered that the research they were aware of contributed to the aims of the Medicines and People Programme:

“[the work of the Trust has] given me more collaborative leads for the future”

“[the work of the Trust has resulted in an] increased profile on the role of pharmacists, patients and other members of the healthcare team”

Grant holders felt similarly to stakeholders in this respect:

“Small grants like these are extremely useful, maybe not high profile but you can actually see practical outcome within a sensible timeframe – they make little ideas 'do-able'.”

Capacity building – 6 out of 7 current research training bursary holders intend to continue with practice or health services research, one indicating that they would like to. Comments included:

“[the bursary has] given me confidence to pursue further research”

“[the bursary has] enabled me to undertake research and has helped me realise where I sit in the healthcare team”

“[the bursary has] given me confidence to become a part-time teacher and now have a split practitioner/education post”

Overall, the Trust's communication and dissemination programme is working well in identifying appropriate stakeholders at Trust events. Awareness of the Trust is generally good and grant holders are providing further dissemination and communication through publication of papers in peer reviewed journals, articles and abstracts plus presentations at professional conferences.

The evaluation identified a number of areas for moving forward which are addressed in 'Plans for the future'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust is a charitable trust established in 1999 by the Royal Pharmaceutical Society of Great Britain (RPSGB) to enable the RPSGB to benefit from the governance arrangements set up by the Trust and to ensure that the research funded is, and is seen to be, independent. The Trust is registered under the Charities Act 1993 (registration number 1076457).

The Trust is an independent research charity whose registered office is 1 Lambeth High Street, London SE1 7JN. The Trust is governed by its Charitable Trust Deed of 20th October 1998 and a supplemental Deed of Amendment of 17th March 2005.

The Trustees of the Pharmacy Practice Research Trust are distinguished in the fields of pharmacy, medicine, health services, research, business, law, economics and policy. The Trust considers each of the Trustees to be independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, the Trustees' judgement.

Trusteeship is discussed at the first Trustees' meeting each year. Trustees are invited to consider whether they are still able to make a valuable contribution to the Trust or whether they ought, in all the circumstances, to give way to new Trustees. A Trustee cannot resign unless there will be at least two Trustees left after the resignation. The Trust considers this more appropriate than a formal term of office.

Trustees are appointed by the RPSGB³, as Settlor, and in selecting persons to be appointed as Trustees the Settlor takes into account the benefits of appointing a person who is able by virtue of his or her personal or professional qualifications to make a contribution to the pursuit of the Objects or the management of the Trust.

The Board of Trustees sets strategy, decides priorities, establishes funding policies and allocates budgets. The Board of Trustees draws on the advice and help of a number of experts in relation to grant making and project management/oversight.

The Trust undertakes a comprehensive induction programme for all new Trustees, which includes induction materials relating to the Trust's charitable purposes and finances, the powers of the Trustees and information about day-to-day running of the Trust. Key documents are provided, such as the Trust Deed, Deed of Amendment, The Essential Trustee⁴, three years of audited accounts and minutes of the most recent Trust Board meetings. Generic training is offered in areas such as Charity Trusteeship, Governance and Compliance, Financial Accounting and Land Issues and Trading, Intellectual Property and Employment. Informal training is also offered through opportunities to attend pharmacy practice and health services conferences and seminars.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The Trustees of the Charity are required to prepare for each financial year accounts which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that year. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
 - state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that this basis applies.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with statutory requirements and with the Trust Deed dated 20 October 1998. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

³ The Royal Pharmaceutical Society of Great Britain (RPSGB) is the professional and regulatory body for pharmacists in England, Scotland and Wales. The primary objectives of the RPSGB are to lead, regulate, develop and represent the profession of pharmacy.

⁴ Charity Commission publication available at <http://www.charity-commission.gov.uk/publications/cc3.asp>

RISK ASSESSMENT

A risk assessment was conducted in the reporting year 03/04 which identified a total of 9 areas relating to operational, financial, governance & management and reputational risk. A number of steps were set in place to mitigate these risks and the Trustees are satisfied that the major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed and that systems have been established to mitigate those risks.

PLANS FOR THE FUTURE

Plans to be progressed during the next year in relation to research dissemination to include:

- A one day event to discuss results from ten small-scale projects covering a range of innovations in pharmacy education with other academics and educators.

The need to encourage academics to evaluate and review developments in education provision was identified as a priority by the Board of Trustees of the Pharmacy Practice Research Trust. As academics frequently cited lack of time and funding as barriers to exploration of educational developments the Trust funded a series of small-scale studies (mini-projects) designed to contribute to the evidence base, to develop research capacity and to encourage dissemination of innovation in this area. The seminar will showcase results from these studies.

- A one day multi-stakeholder workshop based on the early findings from the project *Implementation of the New Contractual Framework for Pharmacy in England & Wales*.

Plans to be progressed during the next year in relation to the renewal of the following grants:

- All grants received from the RPSGB (see Financial Review)
- All grants received from the Leverhulme Trade Charities Trust (see Financial Review)

Other plans to be progressed during the next year include:

- Greater investment in relationship building with key stakeholders to strengthen partnerships to drive through change, more specifically:
 - Achieve a higher profile stakeholder involvement with a view to influencing national policies from the outcomes of Trust funded research.
 - Build relationships and set agendas with stakeholders to influence the Trust's future programme of research.
 - Build relationships with high profile stakeholders to increase their participation in our future research.

- Broadening the Trust's funding base to reduce reliance on current key donors (identified as a high risk in the Risk Assessment of 03/04).
- Further work to be undertaken to clarify the Trust and the Medicines & People Programme brand with the aim of increasing overall awareness of the Trust and its activities.

FINANCIAL REVIEW

The Trustees administered the following grants in 2005/06:

From the RPSGB:

- A restricted programme grant of £600K over 3 years (2004-2006) to fund work in Programme 3: Pharmacy: a profession fit for purpose.
- An annual restricted programme grant of £10K to fund the Galen Award (a pharmacy practice research project grant).
- An unrestricted grant of £186K over 3 years (2004-2006) to run the Trust, including publication and dissemination costs.

From the Leverhulme Trade Charities Trust:

- A restricted project grant of £120K over three years to fund the Sir Hugh Linstead Fellowship (2004-2006).
- A restricted grant of £75K over three years (2005-2007) to fund the Research Training Bursary Scheme in community pharmacy.

From Boots the Chemists:

- A restricted project grant of £50K to fund an evaluation of the implementation of supplementary prescribing in pharmacy.

In addition, the RPSGB provides the following support for the Trust which appears in the annual accounts of the Trust as a "Gift in Kind":

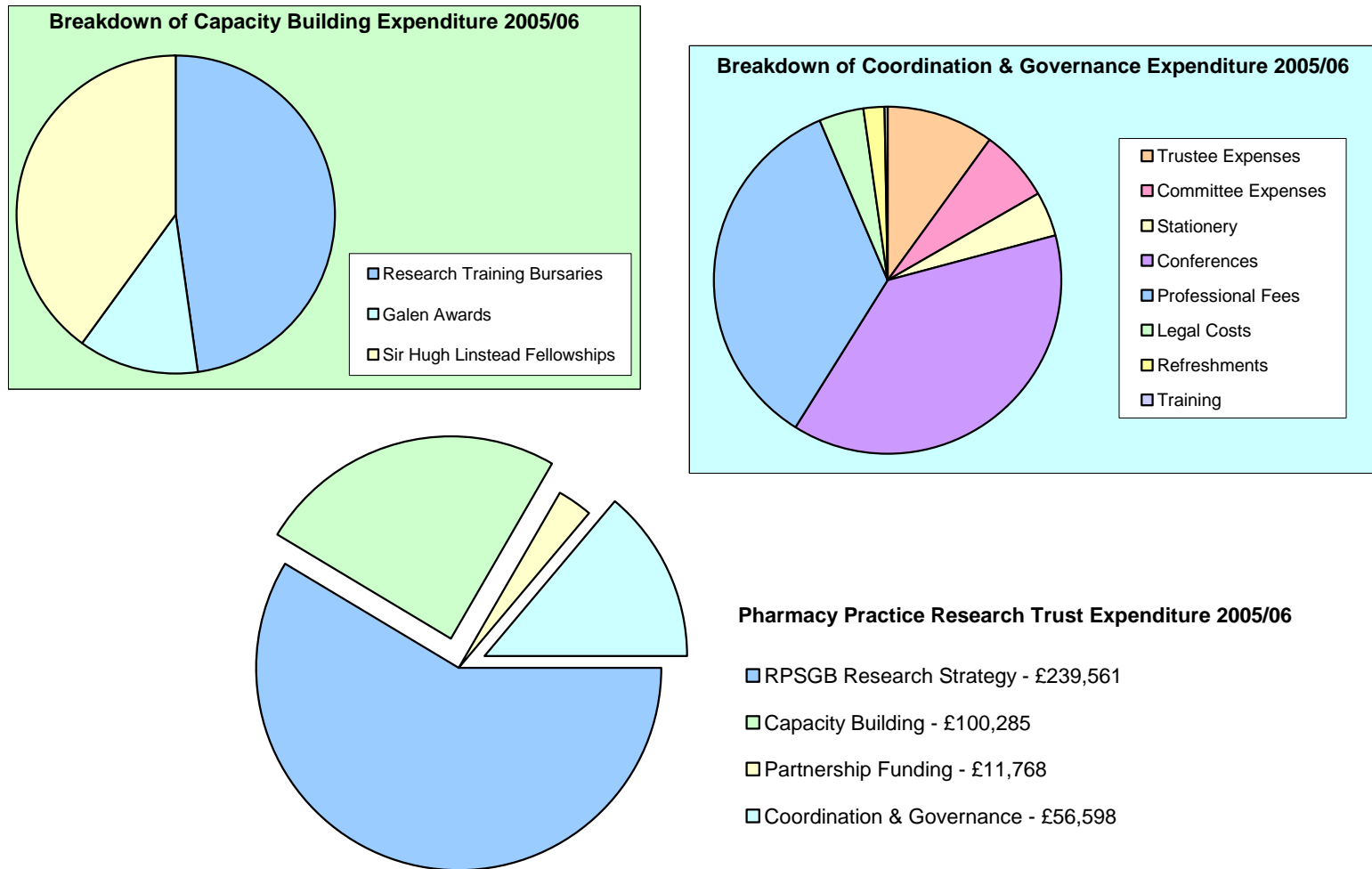
- Staff time to support the Trustees in their work; and
- Office accommodation (and associated overhead costs).

Charitable Outgoing Resources

Total charitable expenditure for the year was £549,605 (04/05: £544,864), an increase of £4,741.

Figure 1 below analyses the Trust's expenditure for the reporting period 2005/06.

Figure 1

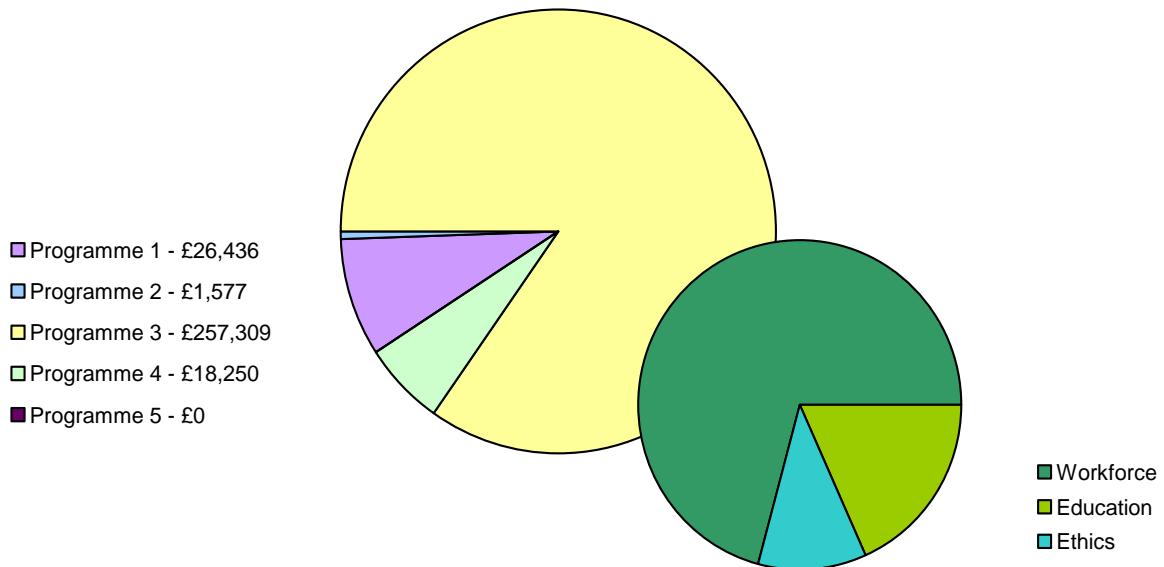


Research Expenditure

In the reporting year 05/06, a total of £303,573 was spent across four of the five research programmes. Figure 2 attributes research expenditure to the *Medicines & People* research programmes.

Figure 2

Research Expenditure (GBP Sterling) within the Medicines & People Research Programmes



Breakdown of Research Expenditure within Programme 3

Capacity Building

Total capacity building expenditure for the year was £100,286 (04/05: £62,296), an increase of £37,990. A breakdown of capacity building expenditure can be seen in figure 1 above.

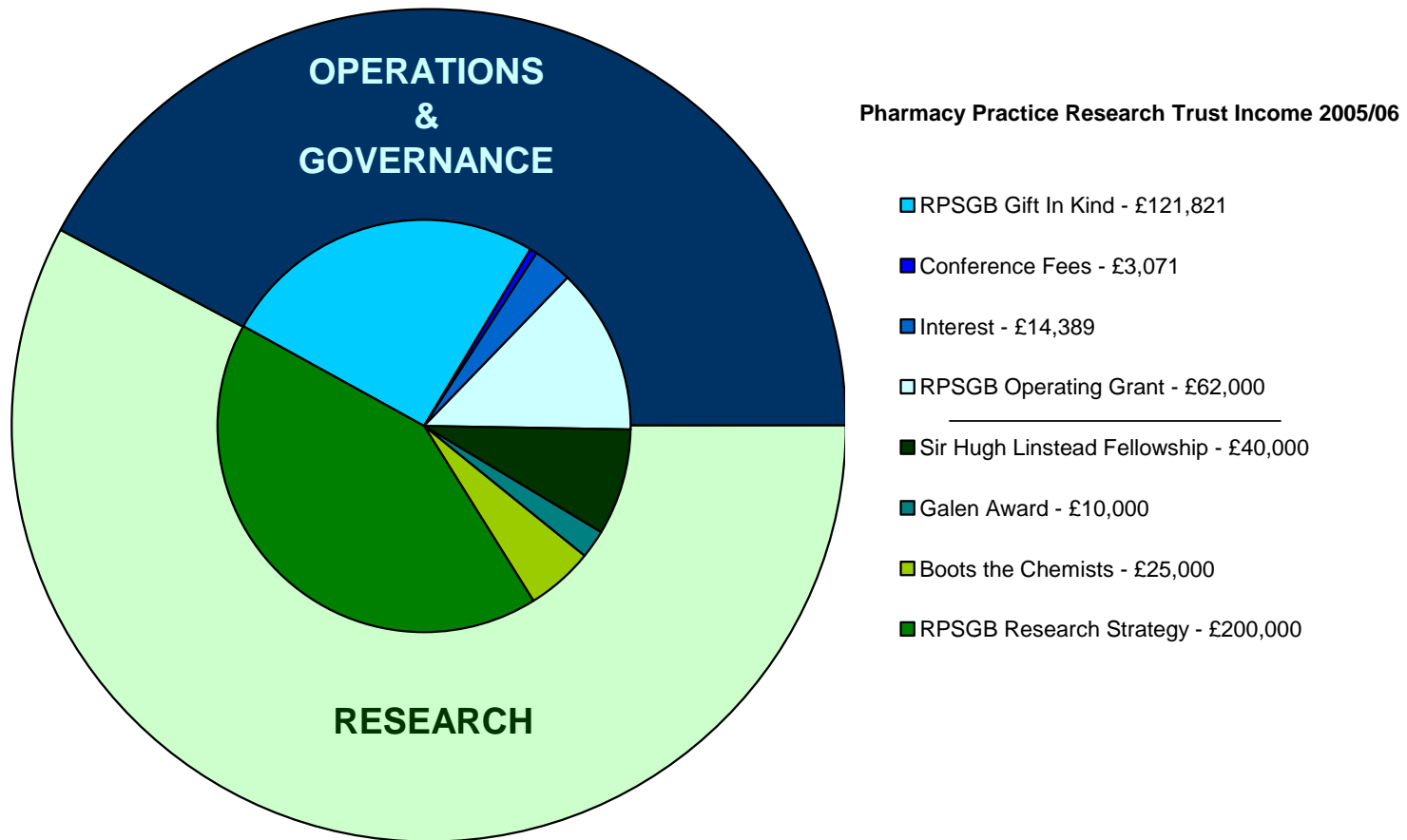
Coordination & Governance

Coordination & Governance covers all charitable activities excluding research funding, grant making & capacity building. A breakdown of the expenditure is shown in figure 1.

Support

Total income for the year was £535,926 (04/05: £615,313), a decrease of £79,387. A breakdown of the total income for 05/06 can be seen in figure 3:

Figure 3



Reserves policy

Reserves at the year end stood at a level which is sufficient to sustain the Trust's current level of activities. It is anticipated that the scope and level of operation will expand as further funds are raised.

Approved by the Trustees on 26th March 2007 and signed on their behalf by:

Marshall Davies
Chair, Pharmacy Practice Research Trust

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
THE PHARMACY PRACTICE RESEARCH TRUST**

We have audited the financial statements of The Pharmacy Practice Research Trust for the year ended 31 August 2006 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with the regulations made under the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 August 2006 and of its incoming resources and application of resources in the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

haysmacintyre
Registered Auditors

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Fairfax House
15 Fulwood Place
London
WC1V 6AY

STATEMENT OF FINANCIAL ASSETS FOR THE YEAR TO 31ST AUGUST 2006

	Notes	Unrestricted funds	Restricted funds	Total 2006	Restated Total 2005
		£	£	£	£
INCOMING RESOURCES					
<i>Voluntary income</i>					
Collections , Legacies & Donations	1	183,821	200,000	383,821	507,663
<i>Incoming resources form charitable activities</i>					
Grants for training and research		-	134,645	134,645	104,362
Other Income		17,460	-	17,460	3,288
Total Incoming resources		<u>201,281</u>	<u>334,645</u>	<u>535,926</u>	<u>615,313</u>
RESOURCES EXPENDED					
<i>Charitable activities</i>					
Grants for training and research		38,484	112,202	150,686	183,192
Research costs		108,863	260,051	368,914	316,086
Governance Costs		30,005	-	30,005	45,586
Total Resources Expended	2	<u>177,352</u>	<u>372,253</u>	<u>549,605</u>	<u>544,864</u>
Net incoming resources before transfers		23,929	(37,608)	(13,679)	70,449
Transfers		-	-	-	-
NET MOVEMENT ON FUNDS	3	<u>23,929</u>	<u>(37,608)</u>	<u>(13,679)</u>	<u>70,449</u>
Funds Brought Forward		83,286	213,858	297,144	226,695
Funds Carried Forward		<u>£107,215</u>	<u>£176,250</u>	<u>£283,465</u>	<u>£297,144</u>

BALANCE SHEET AS AT 31ST AUGUST 2006

		2006		2005	
	Note	£	£	£	£
CURRENT ASSETS					
Debtors	4	-	-	-	-
Cash at Bank and in hand		498,542		317,998	
		<u>498,542</u>		<u>317,998</u>	
CREDITORS: Amounts falling due within one year					
	5	(215,077)		(20,854)	
		<u></u>		<u></u>	
NET CURRENT ASSETS			283,465		297,144
NET ASSETS			<u>£283,465</u>		<u>£297,144</u>
FUNDS					
Unrestricted	6		107,215		83,286
Restricted	7		176,250		213,858
			<u>£283,465</u>		<u>£297,144</u>

Approved by the Trustees on 26th March 2007 and signed on their behalf by:

Marshall Davies
Chair, Pharmacy Practice Research Trust

The financial statements have been prepared under the historical cost convention. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP, 2005) issued in March 2005.

The 2005 figures have been restated to comply with the requirements of SORP 2005.

Collection, Legacies and Donations

These are recognised when receivable or when the Trust becomes legally entitled to them. Costs borne by the Royal Pharmaceutical Society on behalf of the Trust are reflected as income, classified as donations and as expenditure in the appropriate categories.

Expenditure

Grants payable to further charitable objectives are outflows of resources in respect of grants for training and research.

Costs to further charitable objectives are outflows of resources in respect of activities that specifically promote the declared objects of the Trust.

Support costs represent expenditure incurred centrally which supports the Trust's project work. They are an integral part of the cost of carrying out the direct charitable objects of the Trust.

Governance costs are costs associated with constitutional and statutory requirements, e.g. the cost of Trustee meetings and preparing statutory accounts, and costs incurred in the efficient running of the Trust, e.g. office costs.

Funds

Unrestricted funds comprise those funds which the Trustees are free to use in accordance with the charitable objects.

Restricted funds comprise those funds which the Trustees must use for training bursaries and research to further charitable objectives.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 2006

1. COLLECTIONS, LEGACIES AND DONATIONS

	Unrestricted Funds	Restricted Funds	Total 2006	Total 2005 Restated
	£	£	£	£
Donations from R.P.S.G.B	62,000	200,000	262,000	270,000
Gift in kind from R.P.S.G.B	121,821	-	121,821	237,663
	<u>£183,821</u>	<u>£200,000</u>	<u>£383,821</u>	<u>£507,663</u>

The Gift in Kind is a contribution from the RPSGB to the Trust for staff costs and a 40% overhead of these costs to cover infrastructure (IT & Technical support, financial services, catering services, office cleaning, human resources, maintenance and library services). 75% of the salary contribution is allocated to research.

2. RESOURCES EXPENDED

	Staff Costs	Other Costs	Total 2006	Total 2005
	£	£	£	£
<i>Charitable Activities</i>				
Training and research grants	6,539	144,147	150,686	183,192
Research costs	76,288	292,626	368,914	316,086
<i>Governance Costs</i>	4,360	25,645	30,005	45,586
	<u>£87,187</u>	<u>£462,418</u>	<u>£549,605</u>	<u>£544,864</u>

2a. RESOURCES EXPENDED

	Direct costs	Support costs	Total 2006	Total 2005
	£	£	£	£
<i>Charitable Activities</i>				
Training and research grants	117,012	33,674	150,686	183,192
Research costs	327,632	41,282	368,914	316,086
<i>Governance Costs</i>	23,402	6,603	30,005	45,586
	<u>£468,046</u>	<u>£81,559</u>	<u>£549,605</u>	<u>£544,864</u>

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31ST AUGUST 2006

2b. SUPPORT COSTS	Total 2006	Total 2005
	£	£
Computer Costs	-	957
Conference/Events	21,518	7,732
Salary Costs (see note 1)	21,797	42,440
Overheads (see note 1)	34,806	67,904
Stationery	2,318	169
Refreshments	1,120	799
	<u>£81,559</u>	<u>£120,001</u>
2b. STAFF COSTS		
The staff costs are analysed as follows:		
Wages and salaries	70,276	131,608
Social Security	7,134	25,900
Pension Costs	9,777	12,251
	<u>£87,187</u>	<u>£169,759</u>
	2006 No	2005 No
No employee earned more than £60,000 per annum from the Trust.		
Number of employees	<u>4</u>	<u>6</u>
3. NET MOVEMENT OF FUNDS	2006	2005
	£	£
The net movement of funds is stated after charging:		
Auditors remuneration – audit fee	4,400	4,000
– other services	-	1,200
	<u></u>	<u></u>
4. DEBTORS	2006	2005
	£	£
Amounts due from Royal Pharmaceutical Society	<u>£ -</u>	<u>£ -</u>

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31ST AUGUST 2006

5. CREDITORS		2006 £	2005 £
Amounts due to Royal Pharmaceutical Society		190,486	15,654
Accruals		24,591	5,200
		<u>£215,077</u>	<u>£20,854</u>

6. UNRESTRICTED FUNDS	Balance at 1 September 2005 Restated £	Incoming Resources £	Resources Expended £	Balance at 31 August 2006 £
General	£83,286	£201,281	£(177,352)	£107,215
	<u>£83,286</u>	<u>£201,281</u>	<u>£(177,352)</u>	<u>£107,215</u>

7. RESTRICTED FUNDS	Balance at 1 September 2005 Restated £	Incoming Resources £	Resources Expended £	Balance at 31 August 2006 £
LTCT	4,903	59,645	(48,042)	16,506
Galen	373	10,000	(12,168)	(1,795)
Linstead	27,515	40,000	(40,076)	27,439
Boots	(14,083)	25,000	(11,768)	(851)
Donations for research	195,150	200,000	(260,199)	134,951
	<u>£213,858</u>	<u>£334,645</u>	<u>£(372,253)</u>	<u>£176,250</u>

Research Training Bursaries (LTCT)

Bursaries made annually to develop individual pharmacists' skills and careers in research.

Galen (RPSGB)

Awards made annually to a total value of £10,000 for pharmacy practice research.

Linstead (LTCT)

Awards made annually to a total value of £40,000 (£40,000 in 2004/05) for research that is of benefit to community pharmacy.

7. RESTRICTED FUNDS (continued)

Supplementary Prescribing (Boots the Chemists)

To fund research into Supplementary Prescribing: Pharmacist and Patient Perspectives

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current Assets £	Long Term Liabilities £	Total £
Restricted Funds	-	176,250	-	176,250
Unrestricted Funds	-	107,215	-	107,215
	<u>£-</u>	<u>£283,465</u>	<u>£-</u>	<u>£283,465</u>

9. RELATED PARTY TRANSACTIONS

The Trustees did not receive any remuneration during the year, however 7 Trustees received reimbursed expenses amounting to £6,582 (2005: £5,001) covering the cost of travel during the year.

During the year the Royal Pharmaceutical Society (R.P.S.) incurred costs amounting to £ Nil (2005: £Nil) on behalf of the Trust. The R.P.S. also incurred salary and overhead costs on behalf of the Trust which amounted to £121,821 (2005: £237,663). These amounts are reflected both as income and expenditure in the Trust's accounts.

In 2004 an agreement was signed between the R.P.S. and the Trust whereby the R.P.S. agreed to pay the trust a restricted donation of £200,000 per annum for three years to be spent on research and an unrestricted donation averaging £62,000 per annum to cover the Trust's other costs. The agreements were formalised in 2005 following a review of operations. The Society will still continue to incur salary costs on behalf of the Trust.