

British Homeopathic Association

Trustees' Report and
Financial Statements

Year Ended 31st August 2006

Registered Charity Number 235900

Registered Company Number 102915

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BRITISH HOMEOPATHIC ASSOCIATION

Annual report and financial statements for the year ended 31 August 2006

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Trustees

Mr John KH Cook – Chairman (*from June 2006*)
Mrs Georgina J Butcher
Mr John A Churchill
Miss Hilary A Jenkins
Dr Angela M Jones
Prof Gurch Randhawa
Dr David S Spence (*retired as Chairman in June 2006*)
Mr John G G Saxton
Mr E Roy Whithear

Bankers

HSBC PLC
63 George Street
Luton LU1 2AR

Stockbrokers

Rensburg Sheppards
2 Gresham Street
London EC2V 7QN

Secretary and registered office

Ms Sally Penrose
Hahnemann House, 29 Park Street West, Luton, LU1 3BE

Company number

102915 (England and Wales)

Registered charity number

235900

Auditors

Kingston Smith LLP, 105 St Peter's Street, St Albans, Hertfordshire, AL1 3EJ

BRITISH HOMEOPATHIC ASSOCIATION

Report of the trustees for the year ended 31 August 2006

The trustees acting for the charitable activities of the British Homeopathic Association submit their report and financial statements for the year ended 31 August 2006, which have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by charities"(2005) and the Companies Act 1985. The trustees, who constitute the Council of the British Homeopathic Association, are listed on the previous page.

Status

The British Homeopathic Association is constituted by the Memorandum and Articles of Association dated 1 September 2000 and is a registered charity (number 235900) and a company limited (number 102915) by guarantee not having any share capital.

Every member of the British Homeopathic Association undertakes to contribute such an amount as is required (not exceeding £1) to the company's assets if it should be wound up while he or she is a member of the company or within one year of ceasing to be a member.

The William Kadleigh Memorial Fund

The William Kadleigh Memorial Fund is an unregistered connected charity whose capital funds are held and managed by the British Homeopathic Association on behalf of the Kadleigh Committee. The committee determine the disposition of funds and report at least annually.

	2006 £	2005 £
Balance of Fund's assets at 1 September 2005	150,346	130,962
Investment income	5,863	4,513
Expenses paid on behalf of the Kadleigh Committee	(5,004)	(4,775)
Kadleigh Bursary	(375)	
Unrealised gain	15,664	19,646
	<hr/>	<hr/>
Balance of Fund's assets at 31 August 2005	166,493	150,346
	<hr/>	<hr/>
Represented by		
Investments	162,627	146,435
Accrued income	1,779	901
Money on deposit (Iceberg)	3,727	4,255
Amounts due to British Homeopathic Association	(1,640)	(1,245)
	<hr/>	<hr/>
Balance of Fund's assets at 31 August 2006	166,493	150,346
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The total funds held as at 31 August 2006 of £166,493 have not been included in the British Homeopathic Association's accounts.

The British Homeopathic Association has paid £5,004 expenses on behalf of the Kadleigh committee of which £1,640 is outstanding as at 31 August 2006 and is included within debtors in the accounts of the William Kadleigh Memorial Fund.

BRITISH HOMEOPATHIC ASSOCIATION

Report of the trustees for the year ended 31 August 2006 (*continued*)

Hahnemann House Trust

The British Homeopathic Association is the trustee of the Hahnemann House Trust (Registered Charity No 252702)

The financial statements of Hahnemann House Trust are not consolidated with those of the British Homeopathic Association

Statement of trustees' responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and group and of the surplus or deficit of the group for that period. In doing so the trustees are required to

- select suitable accounting policies and apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the group will continue in business

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Trustees

The trustees are also directors for the purposes of the Companies Act 1985

The method of appointment of trustees is contained in the governing documents. Trustees are also members of the British Homeopathic Association Council and simultaneously guarantee members of the company

Before new trustees are appointed, a review of the skills mix of the trustee body is undertaken and appropriate measures taken to recruit new trustees with skills that will fill any identified gaps. New trustees are invited to attend an induction meeting and receive a comprehensive overview of the charity, its work and governance

The names of those trustees who served during the year are listed on the contents page

No trustee had any financial interest in the British Homeopathic Association. No trustee has received any remuneration, aside from out-of-pocket expenses, from the British Homeopathic Association during the year

Results

Net movement on funds was £423,996 (2005 £210,037)

The total reserves of the British Homeopathic Association (including the permanent endowments) stand at £1,512,698 (2005 £1,088,702)

Objects and activities during the year

Principal activities

The principal objects of the charity are to promote and develop the study and practice of homeopathy and to advance education and research in the theory and practice of homeopathy provided that the useful results of such research shall be published

The British Homeopathic Association's overall priority is to ensure that there is more homeopathy in the national healthcare system by means of

- 1 Providing information about homeopathy
- 2 Developing the evidence base for homeopathy
- 3 Encouraging the education and training in homeopathy of healthcare professionals
- 4 Ensuring patients have access to homeopathy
- 5 Fundraising to support all of the above

The Association's strategic plan for the year sets out its key aims under each of these headings and much progress was made. However, this year the trustees have been very concerned by the unprecedented number of well orchestrated attacks on homeopathy by certain sceptical scientists, doctors and politicians

The attacks on homeopathy have included a letter sent to the chief executives of all Primary Care Trusts in the country arguing against the provision of "unproven" therapies such as homeopathy in the NHS and an attempt to annul new legislation on the labelling of over-the-counter homeopathic medicines – both campaigns based on the assertion that homeopathy has no evidence to support its effectiveness

These campaigns, together with the current funding crisis and wide-ranging re-organisation of the NHS, mean that a large amount of our resources have had to be diverted away from some of the activities set out in the plan and towards counteracting the damage of these attacks

It has therefore been an extremely difficult year for homeopathy and for the Association's beneficiaries, patients who may in future be denied access to homeopathic treatment in the NHS

Summary of the Association's aims and performance in each of its main areas of work

1 Providing information about homeopathy

By informing people about homeopathy and its possible benefits, awareness of the valuable potential of this safe, gentle approach to health will increase, enabling more people to access treatment when it is appropriate for them. The BHA, through its close working relationship with the Faculty of Homeopathy, is ideally placed to provide authoritative and accurate information to the public

1.1 Aims

- a) *Develop a comprehensive communications strategy and maximise the media opportunity of the forthcoming World Health Organisation (WHO) report on the clinical evidence for homeopathy*
- b) *Maximise the potential of the website to inform more people about homeopathy*
- c) *Increase the number of favourable mentions of homeopathy in the media - and inclusion of BHA contact details - and provide quality and timely responses to media requests*

- d) Ensure the public information service is efficient and effective and that up-to-date practitioner information is widely available*
- e) Recruit more BHA Friends and supporters*
- f) Improve Health & Homeopathy magazine*
- g) Ensure the future of the Burford Library*

1 2 Achievements and Performance – providing information about homeopathy

- a) Develop a comprehensive communications strategy and maximise the media opportunity of the forthcoming WHO report on the clinical evidence for homeopathy*

A first draft of the communications strategy was discussed in detail at the Association's planning day in April and the final document went to the trustees' meeting in October 2006 for approval. The strategy includes the provision of additional resources from an external PR adviser in order to strengthen our ability to combat the campaign of attacks on homeopathy and limit the damage they are causing. Publication of the WHO report has been delayed but much effort will be directed to ensuring that its findings are reported accurately and fairly in the media.

- b) Maximise the potential of the website to inform more people about homeopathy*

As the website is now our main communications and information tool, we had planned a major re-design to re-vitalise it and make it more attractive and useful to visitors. However, this work necessarily needed to follow and be informed by, rather than precede, the development of the communications strategy. This work has therefore been delayed to the coming year. In the meantime, our new electronic newsletter, *BHA Bytes*, was successfully launched in October 2005 and now has over 2000 subscribers, the majority of whom contacted us through the website.

- c) Increase the number of favourable mentions of homeopathy in the media and inclusion of BHA contact details and provide quality and timely responses to media requests*

A total of 621 articles about or mentioning homeopathy appeared in the press during the year (527 last year - an increase of around 18%), though many of these were negative as a result of lobbying by critics of homeopathy. 92 articles mentioned the BHA or Faculty or gave our contact details, an increase of 62% over the previous year.

Our professionalism in dealing with the media has been streamlined during the year as we have had to respond quickly to national TV, radio and press stories attacking homeopathy. A quick response plan has been developed and means that statements are emailed to the media and posted on our website home page within hours of a story breaking, resulting in comments being published in the national press and spokespeople being interviewed on key programmes, notably BBC Radio 4's influential *Today* programme. In addition to reacting quickly and effectively to negative stories, we have also succeeded in promoting positive events such as the publication of the patient outcome study from Bristol Homeopathic Hospital in November 2005 which was covered widely by the national and local media. This showed that of 6,500 consecutive follow-up patients, over 70% reported an improvement following homeopathic treatment.

d) Ensure the public information service is efficient and effective and that up-to-date practitioner information is widely available

All our information leaflets have now been fully updated and re-designed and a new leaflet on dental homeopathy has been developed

Requests for information packs are dealt with within 24 hours and unsolicited feedback from users has been positive

The practitioner search facility on the website is updated quarterly and the printed directory at least once a year. Visitors to the site average 7,000 a month through the year with the practitioner search facility being the most popular section.

e) Recruit more BHA Friends and supporters

Recruitment of new Friends has been slower than hoped (113 instead of the targeted 200). We are extremely grateful for the continuing support of our Friends and continue to seek ways of attracting new Friends. We hope that subscribers to our e-newsletter BHA Bytes will become Friends over a period of time.

f) Improve Health & Homeopathy magazine

Following its redesign in October 2005, the magazine received strongly positive feedback in the survey of Friends carried out during the summer of 2006. Comments and suggestions have been taken into account and have resulted in, among other things, the introduction of a question and answer page as well as new ideas for subjects to cover in future issues.

g) Ensure the future of the Burford Library

A formal agreement for the long-term loan of the library to the Royal London Homeopathic Hospital has been drafted and is under discussion. It is hoped that the Library will re-open in 2007.

2 Developing the evidence base for homeopathy

Decisions about funding homeopathy are made by local NHS organisations who are influenced by local priorities and the evidence base for homeopathy. For more patients to gain access to homeopathy, it is essential that we can convince decision-makers of its effectiveness.

2.1 Aims

- a) Support and sustain the development of research activity/dialogue by establishing research groups and networks*
- b) Identify and attract new sources of funding for homeopathic research*
- c) Develop research collaborations with universities*
- d) Research and explain the existing evidence base for homeopathy*
- e) Develop the research section of the BHA website*
- f) Explore and explain suitable research methods and outcome methods*
- g) Establish systematic data collection in homeopathic practice*
- h) Develop a plan for collecting and analysing Prescription Analysis and Cost (PACT) data*

2 2 Achievements and Performance – developing the evidence base

a) Support and sustain the development of research activity/dialogue by establishing research groups and networks

The Research Development Adviser continues to provide advice on research issues to a steady stream of requests. Research Methods courses are now run every two years (18 two-day courses have been held since 2002) and the next will take place in March 2007. Despite this high level of activity and a greater awareness of the importance of research among practitioners, it has not proved possible to establish local research groups.

b) Identify and attract new sources of funding for homeopathic research

The efforts of the Homeopathic Research Committee (HRC) to attract new sources of funding for homeopathic research have not borne fruit and this is a major disappointment. The research in atopic eczema (in collaboration with the University of Nottingham) has been delayed as a consequence. We are however very grateful to have received (just after the year end) the third grant for 20 per cent of the Research Development Adviser's salary costs from the Mitra Charitable Trust. The trustees have allocated additional funds from the BHA's reserves to enable new, less ambitious projects in the coming year, but the difficulty of raising funds for CAM research remains a pressing challenge, especially at a time when the demand for clinical research evidence is so strong.

c) Develop research collaborations with universities

Although the collaboration with the University of Nottingham has slowed because of the lack of funding, a new collaboration with Bristol Veterinary School has moved swiftly with a pilot trial on canine atopic dermatitis funded by the BHA's Veterinary Research Fund. Other longer-established collaborations with Birmingham and Napier Universities are progressing more slowly and the development of new collaborations has been put on hold until the above programmes have developed more securely.

d) Research and explain the existing evidence base for homeopathy

In 2007 the World Health Organisation (WHO) will publish a major report on the clinical research evidence in homeopathy. The Association's Research Development Adviser was one of the small team working on the text of the report to ensure that it is unbiased, constructive and encourages high-quality research in homeopathy internationally.

e) Develop the research section of the BHA website

The evidence section of the BHA's website has been completely revised, updated and re-written. Re-named *Research in Homeopathy*, it raises issues about what counts as Evidence-Based Medicine, highlights the medical conditions for which there is positive research evidence and discusses recent controversial trials.

f) Explore and explain suitable research methods and outcome methods

The BHA's new International Consensus Group on Research Methods in Homeopathy met in January 2006. The group included experts both in homeopathy and in mainstream clinical research. A study proposal, which describes research aiming to improve the quality standards for clinical research in homeopathy, is being developed in collaboration with the University of Ottawa.

g) Establish systematic data collection in homeopathic practice

Three pilot data collection studies in medical, veterinary and dental homeopathy were completed and analysed in 2005. Full papers giving the results are to be published in *Homeopathy* between October 2006 and July 2007. Large scale follow-up projects are being planned and the results were presented at two major homeopathic conferences during the year.

h) Develop a plan for collecting and analysing PACT data

PACT data is prescribing data from NHS prescriptions which could potentially be very useful in demonstrating lower prescribing costs among homeopathically trained GPs. Despite encouraging data from a small number of GPs who responded to a preliminary survey, concerns over adequate study design mean that it has not been possible to draw up a more detailed follow-up project at this stage.

3 Encouraging the education and training in homeopathy of healthcare professionals

The BHA supports the Faculty of Homeopathy in its work to increase the number of healthcare professionals trained in homeopathy. This work is essential as the BHA believes that a doctor or other health professional trained in homeopathy is best placed to offer patients integrated care, using homeopathy when it is most appropriate and liaising with patients' GPs and specialists, rather than patients feeling that homeopathy is something they cannot discuss with their GP.

3.1 Aims

- a) Increase the number of health professionals gaining the Faculty's MFHom and DFHom qualifications*
- b) Target pharmacists for training*
- c) Expand learning opportunities for statutorily registered healthcare practitioners (SRHPs)*
- d) Develop opportunities in undergraduate education and implement a new membership level for undergraduates*
- e) Maintain academic and membership standards through Continuing Professional Development*

3.2 Achievements and Performance – encouraging education and training

The BHA does not carry out educational work itself but supports the work of the Faculty of Homeopathy in setting and maintaining standards for healthcare professionals to train in and practise homeopathy.

a) Increase the number of health professionals gaining the Faculty's MFHom and DFHom qualifications

Key Faculty milestones towards the achievement of this aim include changing the MFHom assessment from examination-based to formative, developing curricula for midwives and dentists, ensuring the wider availability of teaching to MFHom level for a broader range of disciplines and achieving recognition of the Diploma level qualifications by the statutory bodies for podiatrists and dentists. Progress in some of these important areas has been slower than anticipated so the number of new MFHoms and Vet MFHoms has remained at similar levels to last year (23 doctors and 6 vets). The number of new Diplomates (DFHom) is two as opposed to three in 2005.

b) Target pharmacists for training

Work promoting the Diploma and Membership levels of training to pharmacists was postponed pending permission from the executors of a restricted legacy to utilise those funds for this purpose

c) Expand learning opportunities for statutorily registered healthcare practitioners (SRHPs)

One of the ways to increase the number of homeopathically trained healthcare professionals is to expand the accredited training opportunities available. A major step in this direction was the development of new post-graduate modules in homeopathy at Luton University (now the University of Bedfordshire) and at Robert Gordon University in Aberdeen. Unfortunately, neither course – like many other health science course modules – attracted sufficient participants to run this year. However, liaison continues with both universities to develop MSc level courses in homeopathy which will have wider appeal. There have also been continuing discussions with the new Bedfordshire and Hertfordshire Postgraduate Medical School.

d) Develop opportunities in undergraduate education and implement a new membership level for undergraduates

Introducing health professionals to homeopathy before they have qualified is also extremely important. The BHA-funded Senior Clinical Lecturer post at Liverpool University's medical school has just completed its fourth year. Homeopathy is now fully integrated in the undergraduate curriculum and many students have taken a Special Study Module (SSM) in homeopathy. SSMs have also continued to be run at Bristol, Birmingham, Glasgow, Southampton and a number of other medical schools. The Faculty launched its new undergraduate student membership level during the year in order to keep in contact with SSM students who developed an enthusiasm for homeopathy during their undergraduate studies and to encourage them to continue their studies once they have completed their registration.

e) Maintain academic and membership standards through Continuing Professional Development

Nowadays it is essential for all professions to maintain standards through Continuing Professional Development (CPD). 300 members demonstrated their compliance with the Faculty's CPD requirements in 2005 and a further 250 members' records are being checked this year. This is a rolling programme so that all members will be required to produce evidence of their CPD every five years.

4 Ensuring patients have access to homeopathy

The BHA wishes to see homeopathy fully available throughout primary and secondary care for all who could benefit from it.

4.1 Aims

- a) Increase the number of NHS primary care homeopathy services*
- b) Respond as appropriate to research publications that could have a damaging impact*
- c) Support private practitioners*
- d) Ensure the continuity of secondary care homeopathy services by having succession plans in place for homeopathic consultant posts*
- e) Achieve the growth of specialist nurse practitioners in homeopathy*
- f) Make progress towards specialist accreditation*

4 2 Achievements and performance – ensuring access

a) Increase the number of NHS primary care homeopathy services

Far too many patients still find it impossible to gain access to homeopathic treatment in the NHS. One simple and cost-effective way of achieving this is through an expansion of primary care services such as specialist homeopathy clinics and it is hoped that the introduction of practice-based commissioning (PBR) will create opportunities to develop such services. However, the extent of the NHS re-organisation together with its current financial crisis mean that we have made no progress in this area this year. We have also recognised that we need to bring in outside expertise to lead this work in the coming year.

b) Respond as appropriate to research publications that could have a damaging impact

This year has seen an unprecedented level of attacks on homeopathy by a group of eminent scientists and doctors. In spite of our concerted efforts to limit the damage done by these, the study published by *The Lancet* last August has added ammunition to this campaign and is frequently cited against homeopathy. We have responded strenuously but the impact of this misinformation will hit patients wishing to attend the NHS homeopathic hospitals – towards the end of the year we started to see signs of Primary Care Trusts cancelling their funding contracts as part of their Turnaround Plans, giving the lack of evidence and financial pressures as the reason.

We take this extremely seriously and are channelling additional resources towards protecting patient access to NHS homeopathy services. Part of this work is to ensure that the forthcoming World Health Organisation report on homeopathy is widely publicised.

c) Support private practitioners

For those who can afford to pay for homeopathic treatment, we need to ensure that we can provide accurate and helpful information about suitable practitioners locally. Our practitioner directory is updated regularly in both print and electronic form. We have also been working with the Healthcare Commission to ensure that the disproportionate financial and administrative burden of registration of establishments used for independent healthcare do not force independent homeopathic doctors out of business. There is a danger that regulation intended to protect patients could have the opposite effect by reducing the number of doctors practising homeopathy privately.

d) Ensure the continuity of secondary care homeopathy services by having succession plans in place for homeopathic consultant posts

A future problem to secondary care homeopathic services is the succession of consultants. Homeopathy is not recognised as a medical specialty and so the existing pool of homeopathic consultants can only be expanded by gaining recognition of homeopathy as a medical speciality or by encouraging existing consultants from other specialties to train in homeopathy. We are endeavouring to do both in order to ensure succession of key posts in the homeopathic hospitals and have been in discussion with the General Medical Council and the Postgraduate Medical and Education Training Board to lobby for the recognition of doctors specialising in homeopathy. This will be especially important if the recommendations by Lord Donaldson in his report *Good doctors, safer patients* are accepted by the government.

e) Achieve the growth of specialist nurse practitioners in homeopathy

We are also keen to take advantage of changes which allow nurses to expand their skills and become nurse practitioners. This has the potential to bring into homeopathy a previously untapped resource of existing health professionals. The Nurse Dean of the Faculty of Homeopathy is actively engaged in discussions with the appropriate nursing bodies to open the door to nurses wishing to pursue this opportunity. At present there are seven MFHom nurses and some of these are finding it difficult to find suitable employment in the NHS using their homeopathic skills.

5 Fundraising to support our aims

In order to fund its work the BHA needs to find new sources of income and ensure that it works efficiently and cost-effectively. Our aim is to raise funds from individuals and trusts in order to reduce our dependence on legacies which are unpredictable. However, the fundraising climate for charities is extremely competitive.

Friends' donations came to £64,852 (£59,828 in 2005). Donations from trusts dropped from the previous year at £22,600 (£56,751 in 2005) though the figures do not include the grant from the Mitra Charitable Trust for research, which arrived shortly after the year end. We are very grateful to all Friends and to the Mitra Charitable Trust, Nelsons and the Barcapel Foundation for their support.

Legacies remained our main source of income with £535,967 received during the year from the estates of Mrs Emily Aleson Dods, Miss Christine Joan Farrier, Mrs Mary Mena Green, Mr Tom Howlett Bennett, Mr James David Jenkins, Miss Margaret Audrey Newton, Mrs Lydia Scarffe, Mr Simon Giles Templar and Ms Joan Varley. The trustees are extremely grateful to each of these generous benefactors.

In view of the importance of legacies to the Association, a legacy leaflet was mailed to all Friends during July and as a result 10 new pledges have been received and five re-confirmed which is very encouraging at this time of uncertainty and upheaval.

Corporate

During the year Dr David Spence, who has been chairman of the Association since its merger with the Homeopathic Trust in 2000, retired from office and the trustees elected Mr John Cook as the new chairman at their meeting in June 2006.

Dr Spence played a pivotal role during a crucial phase of the Association's development and the trustees expressed their gratitude to him with the presentation of a watercolour painting of the Lake District at his final meeting as chairman. He will continue in his role as a trustee.

The new chairman, John Cook, is a chartered accountant in practice and has been actively involved for many years with the Association and with the Homeopathic Trust, which merged with the BHA in 2000. His family have a long history and tradition of support for homeopathy in the Liverpool area and nationally.

The Faculty of Homeopathy

Much of the Association's work is closely connected with the Faculty of Homeopathy, whose members support the BHA by providing their professional expertise. The Faculty is the only

professional body that represents statutorily registered homeopathic practitioners – doctors, dentists, nurses and midwives, pharmacists, podiatrists and vets qualified in homeopathy. It ensures the highest standards of homeopathic training, education and practice and has over 1,400 members who find the quality of their patient care and professional satisfaction have been improved by learning about and using homeopathy in their daily work. It is also the leading authority on homeopathic medicine, working to convince government, the medical establishment and decision-makers of the need for homeopathy to be fully integrated in healthcare systems in the UK and around the world in order to ensure that the benefits of homeopathy are as widely available as possible.

Future developments

The Association will continue its work in its four key areas of activity – information, access, research and training together with fundraising. The improved financial position means that the trustees have been able to allocate additional resources to research work, media work and to the promotion of homeopathy in the NHS.

Key aims during the year are to re-design the website to maximise its impact and increase the number of people gaining information about homeopathy, to start the work necessary to establish new primary care services in homeopathy, to continue to professionalise our media work to ensure that our positive messages about the value of homeopathy are communicated effectively particularly in relation to the WHO report when it is published and to launch a national data collection/audit project with all five of the NHS homeopathic hospitals.

Corporate governance

The trustees, acting as the Council for the BHA, meet four times a year to consider the performance of the British Homeopathic Association against its business plan, to consider matters specifically reserved for their attention as laid down in the governing documents and to direct the executive officers of the Association as they consider appropriate.

A small grouping of the trustees act to advise Council on financial matters, including the appointment of financial advisers and guidance on financial controls. One of these attends the Luton office, prior to each Council meeting, to offer counsel in the preparation and presentation of accounting information.

During the year, a review of our investment managers and auditors was carried out and the trustees approved the finance sub-committee's recommendation of the re-appointment of Rensburg Sheppards and Kingston Smith LLP respectively.

Matters relating to the highly specialised field of research are delegated to the Homeopathic Research Committee, a properly constituted sub-Committee. This sub-Committee formally reports its actions to the trustees annually and provides written updates at more regular intervals.

In addition, the staff management team of the British Homeopathic Association meets regularly to discuss and implement strategic issues as directed by the trustees and to monitor and control the performance of the charity on the authority delegated by the trustees.

Organisational structure

The Association and Faculty of Homeopathy have seven full-time and two part-time staff between them, the majority of whom work for both organisations. The CEO, Research Development Adviser and Head of Education and Training comprise the management team. In addition, the Association buys in freelance expertise as required for specialist work.

Reserves policy

The charity relies on fully funding its planned level of activities from either legacies and donations or retained reserves. Since legacy income, which is the Association's main source of income, is very unpredictable in both amount and timing, the trustees have formed the view that it would be prudent to maintain reserves at a level which would support the activities of the charity projected three to five years forward.

The charity determines an operating deficit by deducting sustainable income from the cost of its planned activities level for a three to five year period. It ensures that sufficient reserves are retained by the charity to meet this operating deficit. In this way planned increases or enforced decreases in activity levels can be managed smoothly.

The forecast operating deficit for the next three to five years is £1,138,000 - £1,900,000 and so the trustees would be looking to a level of free reserves in the range of £1,200,000 - £1,500,000. The level of free reserves at the end of 2006 was £1,203,995.

The trustees review reserve levels quarterly and may amend activity levels if the free reserve position warrants or requires such action. At the same time the trustees are aware of the need to develop sustainable sources of income other than legacies and are actively seeking these.

Investment policy

The trustees have established an Investment Policy appropriate to the needs of the charity. Consequently investments have been made through a variety of short and medium funds managed by fund managers, Carr Sheppards Crosthwaite (now Rensburg Sheppards).

Performance is reviewed regularly with the fund managers who provide benchmarking information in all their quarterly reports. A bespoke benchmark was set on 29 March 2006 and the trustees believe that the funds have performed satisfactorily considering that the markets went through a quite volatile period during the year.

Grant making policy

The BHA reviewed its grant-making procedures in 2000 and has a clear policy and application form. All grants currently being made conform to the criteria outlined in the policy. The Association is not actively encouraging grant applications at present.

Risk management

The Association conducted its first assessment of the major strategic, business and operational risks facing it in 2001 and implemented systems to mitigate those risks. A complete review of both the risks and mitigating actions needed was conducted during 2005 and in addition, key risks are reviewed at each trustees' meeting.

Employees

The Association is working towards equal opportunities. Conditions of employment are set out in the Staff Handbook.

BRITISH HOMEOPATHIC ASSOCIATION

Report of the trustees for the year ended 31 August 2006 (*continued*)

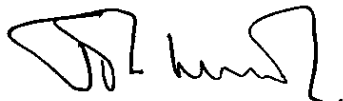
Disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware. The trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

On 1st May 2006, Kingston Smith transferred their business to Kingston Smith LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The charity's consent has been given to treating the appointment of Kingston Smith as extending to Kingston Smith LLP under the provision of section 26(5) of the Companies Act 1989. Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors for the ensuing year.

On behalf of the Trustees



John KH Cook
Chairman

BRITISH HOMEOPATHIC ASSOCIATION

Report of the Independent Auditors

To the Members of British Homeopathic Association

We have audited the financial statements of the British Homeopathic Association for the year ended 31st August 2006 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Trustees and Auditors

The trustees' (who are also the directors of the British Homeopathic Association for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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 Companies Act 1985. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Annual Report, which incorporates the Directors' Report required by the Companies Act 1985, 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 charitable company'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

BRITISH HOMEOPATHIC ASSOCIATION

Report of the Independent Auditors

-
- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 August 2006 and of its incoming resources and application of resources, including the income and expenditure of the charitable company for the year then ended,
 - the financial statements have been properly prepared in accordance with the Companies Act 1985, and
 - the Trustees' Annual Report is consistent with the financial statements

105 St Peter's Street
St Albans
Hertfordshire AL1 3EJ

Date

27th Apr 2007

Kingston Smith LLP

Kingston Smith LLP
Chartered Accountants
& Registered Auditors

BRITISH HOMEOPATHIC ASSOCIATION

Statement of financial activities for the year ended 31 August 2006

		Unrestricted Funds £	Restricted Funds £	Permanent Endowment Fund £	Total 2006 £	Total 2005 (restated) £
	Note					
Incoming resources						
Incoming resources from generated funds						
Voluntary incomes						
Donations and gifts	3	2,600	20,000	-	22,600	56,715
Friends donations		64,852	-	-	64,852	59,828
Legacies		490,967	45,000	-	535,967	243,349
Gifts in kind	5	1,300	-	-	1,300	1,200
Incoming resources from activities for generating funds						
Royalties		1,771	-	-	1,771	1,473
Investment income	4	48,997	9,273	-	58,270	54,997
Other incoming resources		<u>9,531</u>	<u>-</u>	<u>-</u>	<u>9,531</u>	<u>19,769</u>
Total incoming resources		<u>620,018</u>	<u>74,273</u>	<u>-</u>	<u>694,291</u>	<u>437,331</u>
Resources expended						
Cost of generating funds						
Fundraising and publicity	6	3,973	-	-	3,973	3,147
Charitable Activities						
Training of healthcare professionals	6	143,166	17,169	-	160,335	135,751
Provision of information	6	102,325	2,780	-	105,105	96,049
Increasing public access	6	32,045	2,781	-	34,826	29,104
Research and development	6	55,333	11,959	-	67,292	67,020
Governance costs	6	<u>15,695</u>	<u>-</u>	<u>-</u>	<u>15,695</u>	<u>14,241</u>
Total resources expended	6	<u>352,537</u>	<u>34,689</u>	<u>-</u>	<u>387,226</u>	<u>345,312</u>
Net incoming resources before transfer of funds		267,480	39,585	-	-	-
Transfer of funds		<u>1,254</u>	<u>-</u>	<u>(1,254)</u>	<u>-</u>	<u>-</u>
Net incoming/(outgoing) resources before revaluation of investments		268,734	39,585	(1,254)	307,065	92,019
Unrealised gains	10	46,839	4,408	15,846	67,093	45,240
Realised (losses)/gains		(129)	(13)	(21)	(162)	47,778
Net incoming resources		315,444	43,980	14,572	373,996	185,037
Liverpool University Grant Provision release		50,000	-	-	50,000	25,000
Net movements in funds		<u>365,444</u>	<u>43,980</u>	<u>14,572</u>	<u>423,996</u>	<u>210,037</u>
Fund balances brought forward at 1 September 2005		<u>838,550</u>	<u>73,095</u>	<u>177,057</u>	<u>1,088,702</u>	<u>878,665</u>
Fund balances carried forward at 31 August 2006	15	<u>1,203,994</u>	<u>117,075</u>	<u>191,629</u>	<u>1,512,698</u>	<u>1,088,702</u>

The notes on pages 21 to 31 form part of these financial statements

BRITISH HOMEOPATHIC ASSOCIATION

Summary income and expenditure account for the year ended 31 August 2006

	2006 £	2005 £
Gross income from continuing operations (Excludes Endowments)	694,291	436,077
Total income of continuing operations	694,291	436,077
Total expenditure of continuing operations	(387,226)	(345,312)
Net Income before transfers	307,065	90,765
Transfers between funds	-	(25,567)
Net gains on fixed asset investments	66,931	72,445
Net Income	373,996	137,643
Liverpool University Grant Provision Release	50,000	25,000
Net Movement in Funds	423,996	162,643

Total income comprises £620,018 (2005 £373,371) for unrestricted funds and £74,273 (2005 £62,706) for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities. Total expenditure for the year was £387,226 (2005 £345,312) comprising £352,537 (2005 £267,003) of unrestricted funds and £34,689 (2005 £78,309) expenditure of restricted funds, as shown in the Statement of Financial Activities. A detailed analysis is provided in the Statement of Financial Activities and the notes.

The Summary Income and Expenditure account is derived from the Statement of Financial Activities which together with the notes to the accounts provides full information on the movements during the year on all the funds of the charity.

The income and expenditure account includes all gains and losses recognised in the year.

All activities relate to continuing activities.

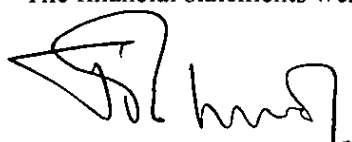
The notes on pages 21 to 31 form part of these financial statements.

BRITISH HOMEOPATHIC ASSOCIATION

Balance sheet as at 31 August 2006

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	9	1,686	311
Investments	10	1,116,914	867,556
		<hr/>	<hr/>
		1,118,600	867,867
Current assets			
Debtors	11	68,711	54,502
Cash at bank and in hand	12	407,927	296,724
		<hr/>	<hr/>
		486,638	351,226
Creditors: amounts falling due within one year	13	32,540	30,391
		<hr/>	<hr/>
Net current assets		454,098	320,835
		<hr/>	<hr/>
Total assets less current liabilities		1,562,698	1,188,702
Provision for liabilities & charges	14	(50,000)	(100,000)
		<hr/>	<hr/>
Total Net assets		1,512,698	1,088,702
		<hr/>	<hr/>
Income funds			
Unrestricted funds		1,203,995	838,550
Restricted funds		117,074	73,095
Permanent Endowment		191,629	177,057
		<hr/>	<hr/>
	15	1,512,698	1,088,702
		<hr/>	<hr/>

The financial statements were approved by the Board on 18/4/2007 and signed on its behalf by



John Cook
Chairman

The notes on pages 21 to 31 form part of these financial statements

1 Accounting policies

Accounting policies have remained unchanged from the previous year

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and are in accordance with (i) applicable accounting standards and (ii) the Statement of Recommended Practice "Accounting and Reporting by charities" (2005) and (iii) Companies Acts 1985

The comparative figures have been restated in order to comply with SORP 2005

Income

Income from subscriptions, donations and legacies are included in the financial statements on a receivable basis. All other income is accounted on an accruals basis.

Resources expended

Expenditure is accounted for on an accruals basis. Charitable expenditure includes the direct costs of planning, staffing and operating activities.

Administration, depreciation, staffing and other costs have been allocated on a staff time basis.

Governance includes audit fees, investment managers' commission, Council expenses and an allocation of indirect costs.

Tangible fixed assets

Tangible fixed costs with a value of £500 or more are capitalised.

Fund accounting

General funds are available for use at the discretion of the trustees in pursuing the general charitable objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are created when funds (whether income or capital in nature) are given to, or raised by, the charity for use in a particular area or for a specific purpose only.

Endowment Funds

These are assets which must be held permanently by the British Homeopathic Association. The changes to the value of the fund are reflected in the SOFA as unrealised gains or losses.

Accounting policies (*Continued*)

Gifts in kind

The Association includes individual gifts in kind where these are worth in excess of £500. The only gift in kind this year had a value of £1,300 for the printing of the Practitioners Directory, which is paid for, on our behalf, by Ainsworths Homoeopathic Pharmacy.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Office equipment, fixtures and equipment	-	10% or 33% reducing balance
Computer equipment	-	33%
Council regalia	-	10 years
Educational equipment	-	25%

Investments

Investments are shown at market value. The unrealised movement in market value from one year to another is taken to the appropriate fund. The market value of investments is determined by reference to stock exchange prices at the balance sheet date. Gains or losses arising during the year are disclosed in the Statement of Financial Activities (SOFA).

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial resources.

Taxation status

The Association as a registered charity does not incur corporation tax and reclaims any tax suffered on investment income.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund during the year.

Emoluments

The Council Members who are the directors of the company do not receive emoluments for their services nor do contracts of services exist between the council members and the company.

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2006 (*continued*)

2 Resources expended

Resources expended are stated after charging

	2006 £	2005 £
Depreciation of tangible fixed assets	641	250
Auditors remuneration	7,208	6,463
Pension costs	5,358	5,144

3 Donations

	Unrestricted £	Restricted £	2006 £	2005 £
Trust and Corporate	2,600	-	2,600	1,000
Nelson Barcapel	-	20,000	20,000	20,000
Mitra Charitable Trust	-	-	-	9,955
Garfield Weston (for the Liverpool University Fund)	-	-	-	25,000
Other	-	-	-	760
	<u>2,600</u>	<u>20,000</u>	<u>22,600</u>	<u>56,715</u>
Total incoming resources				

4 Investment income

	2006 £	2005 £
Rental income	10,192	10,000
Dividend and interest on investments	48,078	44,997
	<u>58,270</u>	<u>54,997</u>

5 Gifts in kind

2006 £	2005 £
1,300	1,200

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2006 (*continued*)

6 Analysis of total resources expended								2005
	Direct Costs £	Deprec- -iation £	Staff costs £	Grants Payable £	Other £	Admin £	2006 Total £	(restated) Total £
Cost of generating funds								
Fundraising and publicity	1,890	7	1,477	-	355	243	3,972	3,147
	1,890	7	1,477	-	355	243	3,972	3,147
Charitable activities								
Training of healthcare professionals	-	-	-	150,545	-	9,790	160,335	135,751
Provision of information	39,938	233	47,174	-	11,342	6,417	105,105	96,049
Increasing public access	8,079	98	19,770	-	4,753	2,126	34,826	29,104
Research development	12,543	201	40,664	-	9,777	4,109	67,292	67,020
	60,560	532	107,608	150,545	25,872	22,442	367,558	327,924
Governance costs	<u>12,261</u>	<u>10</u>	<u>1,988</u>	<u>-</u>	<u>478</u>	<u>958</u>	<u>15,695</u>	<u>14,241</u>
	<u>74,711</u>	<u>549</u>	<u>111,073</u>	<u>150,545</u>	<u>26,705</u>	<u>23,643</u>	<u>387,226</u>	<u>345,312</u>
Allocation of admin	564	92	18,532	-	4,455	(23,643)	-	
Release of provision								
Liverpool University Fund provision								
release (see note 14)	(50,000)						(50,000)	(25,000)
Total resources expended	<u>25,275</u>	<u>641</u>	<u>129,605</u>	<u>150,545</u>	<u>31,160</u>	<u>-</u>	<u>337,226</u>	<u>320,312</u>

7 Grants payable

	2006 £	2005 £
Funding of The Faculty of Homeopathy's educational work (note 17)	85,000	65,000
Local homeopathic clinics	-	900
Liverpool University Senior Lecturer's Fund (note 14)	50,000	50,164
Nelson Barcapel bursaries	14,945	9,820
Small Grants	<u>600</u>	<u>450</u>
	<u>150,545</u>	<u>126,334</u>

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2006 (*continued*)

8 Staff costs

	2006 £	2005 £
Wages and salaries	113,825	105,704
Social security costs	10,422	10,229
Other pension costs	5,358	5,144
	<u>129,605</u>	<u>121,077</u>

The average monthly number of employees (including casual and part time staff) during the year was made up as follows

	2006 Number	2005 Number
Direct charitable activities	<u>6</u>	<u>6</u>

The trustees received no emoluments. However, all trustees had travel expenses to and from Trustees' meetings reimbursed totalling £1,639 (2005 £2,833) during the year.

No employee earned over £60,000 per annum in the year. Aggregate salary costs for the British Homeopathic Association and The Faculty of Homeopathy amounted to £263,408 of which £133,706 has been re-charged to The Faculty of Homeopathy, leaving £129,702 charged to the British Homeopathic Association as set out above.

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2006 (*continued*)

9 Tangible fixed assets

	Office equipment fixtures and Computer equipment equipment		Total
	£	£	£
<i>Cost</i>			
At 1 September 2005	-	562	562
Additions in year	<u>1,172</u>	<u>844</u>	<u>2,016</u>
As at 31 August 2006	<u>1,172</u>	<u>1,406</u>	<u>2,578</u>
<i>Depreciation</i>			
At 1 September 2005	-	251	251
Charge for the year	<u>391</u>	<u>250</u>	<u>641</u>
At 31 August 2006	<u>391</u>	<u>501</u>	<u>892</u>
<i>Net book value</i>			
At 31 August 2006	<u>781</u>	<u>905</u>	<u>1,686</u>
At 31 August 2005	-	311	311

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2006 *(continued)*

10 Fixed asset investments

	2006	2005
Market Value	£	£
At 1 September 2005	867,556	767,527
Acquisitions	274,181	160,353
Disposals	(91,754)	(153,342)
Net gains on investments	66,931	93,018

	1,116,914	867,556
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Split of Market Value

Investments listed on a recognised stock exchange		
UK fixed interest	159,722	164,042
UK Equities	710,806	595,798
Overseas equities	193,937	107,716
Property	52,449	-

Investments at cost	1,116,914	867,556
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Historical Cost

At 1 September 2005	732,732	679,031
Disposals proceeds	(91,500)	(106,652)
Acquisitions at cost	274,181	160,353

At 31 August 2006	915,413	732,732
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Investments greater than 5% of portfolio

Fledgeling/JPMORGAN Charity Bond Fund	70,604	72,372
Fledgeling /JPMORGAN Charity UK Equity	124,148	207,334

11 Debtors

	2006	2005
	£	£
Due within one year		
Debtors	358	92
Prepayments and accrued income	30,310	22,064
Related party debtors	38,043	32,346
	<hr/>	<hr/>
	68,711	54,502
	<hr/>	<hr/>

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2006 (*continued*)

12 Cash at bank and in hand

	2006	2005
	£	£
Held by the British Homeopathic Association	61,911	26,085
Held by the Fund Managers	346,016	270,639
	<u>407,927</u>	<u>296,724</u>

13 Creditors: amounts falling due within one year

	2006	2005
	£	£
Other creditors	23,316	20,561
Accruals and deferred income	9,224	9,830
	<u>32,540</u>	<u>30,391</u>

14 Provisions for liabilities and charges

	2006	2005
	£	£
Total provision brought forward	100,000	125,000
Liverpool University provision written back	<u>(50,000)</u>	<u>(25,000)</u>
	<u>50,000</u>	<u>100,000</u>

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2006 *(continued)*

15 Movement in funds

	Balance at 1st September 2005 £	Incoming resources £	Outgoing resources £	Transfers £	Gains/ (losses) £	Balance at 31st August 2006 £
Permanent endowments						
Phillips Memorial Charity (Charity No 235902)	147,927	-	-	-	14,662	162,589
Homeopathic Post Graduate Teaching and Education Fund	<u>29,130</u>	<u>-</u>	<u>-</u>	<u>(1,254)</u>	<u>1,164</u>	<u>29,040</u>
	177,057	-	-	<u>(1254)</u>	15,826	191,629
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted						
Veterinary teaching and research fund	24,209	833	(224)	-	1,002	25,820
Clinics Appeal	3,594	31,166	-	-	1,403	36,163
John Ede Restricted fund	3,736	61	-	-	-	3,797
Mitra Charitable Trust	9,401	(27)	(10,169)	-	(32)	(827)
Nelson Barcapel Fund	21,374	20,535	(16,945)	(9000)	644	16,608
Nelson Barcapel Research	-	250	(1,790)	9000	302	7,762
Permanent endowment (income)	-	5,561	(5,561)	-	-	-
Mervyn Madge Fund	10,781	374	-	-	450	11,605
General Research Fund	<u>-</u>	<u>15,520</u>	<u>-</u>	<u>-</u>	<u>626</u>	<u>16,146</u>
	73,095	74,273	(34,689)	-	4,395	117,074
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unrestricted						
General	838,550	670,018	(352,537)	1254	46,710	1,203,995
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,088,702	744,291	(387,266)	-	66,931	1,512,698
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The transfer from the Homeopathic Post Graduate Teaching and Education Fund represents interest earned that can be used by the General Fund

The Veterinary Teaching and Research Fund is for research into veterinary homeopathy

The Clinics Fund is for homeopathic clinics

The John Ede Fund is for travel bursaries for doctors and pharmacists to attend conferences and seminars abroad

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2006 *(continued)*

Movement in funds (continued)

The Mitra Charitable Trust Fund is for 20 per cent of the Research Development Adviser's salary and for research methods courses

The Nelson Barcapel Bursaries/Barcapel Foundation Fund is for the provision of assistance to doctors, dentists and veterinary surgeons studying homeopathy on courses accredited by the Faculty of Homeopathy

The Nelson Barcapel Research Fund is for the work of the International Consensus Group on Research Methods. This fund was established, in agreement with the donor, by transferring unspent bursary funds from The Nelson Barcapel Fund

The Permanent Endowment Phillips Memorial Charity (income) is for the promotion of homeopathy

The Homeopathic Post Graduate Teaching and Education Fund (income) is for educational work

The Mervyn Madge Fund is for the naming of a section of the BHA's library or providing a prize for the best article on homeopathic pharmacy in memory of the late Christina Brenda Madge

The General Research Fund is for research

16 Analysis of net assets

	Unrestricted Funds £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total funds £
Funds balances at 31st August 2006	1,203,994	-	117,075	191,629	1,512,698
Represented by					
Tangible fixed assets	1,686	-	-	-	1,686
Investments	835,931	-	89,354	191,629	1,116,914
Cash at bank and in hand	380,206	-	27,721	-	407,927
Other net current liabilities	36,171	-	-	-	36,171
Provision for liabilities	(50,000)	-	-	-	(50,000)
	1,203,994	0	117,075	191,629	1,512,698

17 Related parties

(i) **The Faculty of Homeopathy** is a connected non-profit organisation, which shares certain staff with the British Homeopathic Association and is represented on its Council

During the year the Faculty was recharged £193,537 of expenses incurred on its behalf and the British Homeopathic Association made a grant of £85,000 to the Faculty

(ii) **The William Kadleigh Memorial Fund** is an unregistered connected charity whose capital funds are held and managed by the British Homeopathic Association on behalf of the Kadleigh Committee

18 Future Legacies

As at 31st August 2006 a number of small legacies have been notified but these are not expected to be substantial

19 Pension

The British Homeopathic Association contributes to individual defined contribution schemes at the rate of 8% of salary. The pension cost charge represents contributions payable by the British Homeopathic Association to these schemes and amounted to £5,358 (2005 £5,144)

20 Operating leases

Annual commitments under operating leases are as follows

Equipment	2006	2005
	£	£
Amounts falling due within 1 year	-	320