

British Homeopathic Association

**Trustees' Report and
Financial Statements**

Year Ended 31st August 2010

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 2010

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Trustees

Mr John KH Cook – Chairman
Mrs Georgina J Butcher
Mr John A Churchill
Dr Sara Eames
Mr Donald Gunn (appointed 13/10/10)
Dr Angela Jones (retired 23/10/10)
Mr Richard O' Quinn
Prof Gurch Randhawa
Dr Helmut Roniger
Ms Lauren Vaknine (appointed 13/10/10)
Mr James Williams
Dr Jennifer Worden

Bankers

HSBC PLC
63 George Street
Luton LU1 2AR

Stockbrokers

Rensburg Sheppards
2 Gresham Street
London EC2V 7QN

Chief Executive, Secretary and registered office

Ms Cristal Sumner
Hahnemann House, 29 Park Street West, Luton, LU1 3BE

Company number

102915 (England and Wales)

Registered charity number

235900

Auditors

FKCA Ltd, Chartered Accountants & Statutory Auditors
Prospero House, 46-48 Rothesay Road, Luton LU1 1QZ

British Homeopathic Association

Report of the Trustees for the year ended 31 August 2010

The trustees acting for the charitable activities of the British Homeopathic Association submit their report and financial statements for the year ended 31 August 2010, which have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by charities" (2005) and the Companies Act 2006. 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 unincorporated 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.

	2010	2009
	£	£
Balance of Fund's assets at 1 September 2009	129,769	151,082
Investment income	5,686	6,413
Expenses paid on behalf of the Kadleigh Committee	(6,593)	(7,270)
Kadleigh Bursary	(5,240)	(3,160)
Investment management fees	(800)	(742)
Unrealised (loss)/gain	4,393	(16,554)
Balance of Fund's assets	127,215	129,769
Represented by		
Investments	128,855	159,352
Money on deposit	1,837	2,929
Amounts due to British Homeopathic Association	(3,477)	(11,199)
Balance of Fund's assets	127,215	151,082

The total funds held as at 31 August 2010 of £127,215 have not been included in the British Homeopathic Association's accounts.

The British Homeopathic Association has paid £11,833 expenses on behalf of the Kadleigh committee of which £3,477 is outstanding as at 31 August 2010.

British Homeopathic Association

Report of the Trustees for the year ended 31 August 2010(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 (who are also the directors of The British Homeopathic Association for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and of the outgoing resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping 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 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the trustees are aware

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

Trustees

The trustees are also directors for the purposes of the Companies Act 2006

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. Trustees regularly review their need for additional training to fulfil their role

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

Results

Net movement in funds was £138,995 (2009 deficit of £133,615). The total reserves of the British Homeopathic Association (including the permanent endowments) stand at £1,217,753 (2009 £1,078,758)

British Homeopathic Association

Report of the Trustees for the year ended 31 August 2010 (*continued*)

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 homeopathy is available to all 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

In reviewing the public benefit requirement the trustees have given due consideration to the Charity Commission published guidance on the operation of the Public Benefit Requirement

The Association's plan for the year, sets out its key aims under each of these headings and considerable progress was made over the year in meeting these aims to better achieve our priorities. Over the year, the trustees have continued to be vigilant of the financial markets and possible effects to the Association's resources and impact to its on-going work. The Association's decision last year to cut budgeted expenditure and streamline activities reaped benefits this year and finds the Association financially secure at year end.

Homeopathy and NHS homeopathic services more specifically have been negatively impacted by the media coverage of homeopathy generated by the House of Commons Science and Technology Committee evidence check and report on homeopathy conducted from November 2009 to February 2010. The government in response strongly backed patients' rights to access homeopathy on the NHS. This report which was criticised by one of the committee's own members as lacking appropriate process, continues to be used by Primary Care Trusts (PCTs) and Health Boards as a reason to reconsider funding of homeopathy even though the government has publicly stated homeopathy should be available to patients. The coalition government plans to shift purchasing power in England and Wales from PCTs to GP consortia by April 2013 which could be helpful for homeopathy. The times are challenging for homeopathy but the Association continues undaunted and inspired in its work to educate and inform patients, public, medical professionals and decision makers on the value of homeopathy in healthcare.

British Homeopathic Association

Report of the Trustees for the year ended 31 August 2010 (continued)

Summary of the Association's achievements against our plans

Providing information to the public

A core objective of the BHA is to provide information to the public which is authoritative, accurate, and helpful which enables the public to make informed choices about homeopathy. This is achieved through both proactive means via web, print and other communication vehicles as well as reactively responding to media stories via letter or interview. This year the Association has significantly increased the number of people it has been able to help through its many communication channels.

Generally there is a lack of knowledge about homeopathy in the public, what it is, how it can be used and where to get treatment. A key gateway for provision of information is through the web and to increase the number of people the Association can assist, the development and use of the website and other ecommunication vehicles is a priority. Over the year we have seen growing numbers using our website and being part of our virtual communication streams. Here is a snapshot of some key figures for the year.

- Website hits totalled over 3 million for the year, nearly 1 million more than last year
- There were 552,875 pages viewed this year an increase of 26% over last year
- There were nearly 70,000 searches to find a statutorily regulated homeopathic practitioner
- The research section had 5,643 unique visitors during the year an increase of over 700 visitors
- The Association's Facebook page gained 360 new members over the year to reach a total of 1121
- The free e-newsletter called BHA Bytes has just over 3000 subscribers

The Association also produces *Health & Homeopathy* a patient focussed magazine three times a year. The magazine continues to be popular with donors and with homeopathic practitioners as a resource for news and information, which also acts as a homeopathic community building tool and also provides excellent content for the website.

Besides the web, the best way to reach the greatest number of people is to have the Association featured on television, radio or in the press. Over the year the Association has had the opportunity to increase its media presence largely due to the publicity surrounding the Science and Technology Committee report resulting in interviews on all major television networks and a large number of radio stations. These appearances allowed the Association to provide accurate information to counter the misinformation which feeds negative stories and also permitted the Association to reach out to a much larger audience. In addition to television and radio, there were numerous articles in all the major newspapers quoting the BHA over the year.

In an effort to counter the media attack on homeopathy, the Association has taken professional advice and has been working more collaboratively with other homeopathic and non-homeopathic organisations to identify the best vehicles and strategies to employ to have messages about homeopathy heard by the public and decision makers. This is work that will pay dividends in future and during the year a number of favourable articles were placed in *Bella* and *Closer* as well in *Action ME* a charity magazine.

British Homeopathic Association

Report of the Trustees for the year ended 31 August 2010 (*continued*)

Developing the evidence base for homeopathy

Developing the evidence base and robustly disseminating the current evidence is fundamental in gaining greater acceptance of homeopathy by decision makers and the public. This year, the evidence base for homeopathy came under intense scrutiny stemming from the House of Commons Science and Technology Committee evidence check on homeopathy. The Association played a critical role in providing a submission to the committee, the organisation's Research Development Adviser provided verbal testimony during committee hearings and the Association provided feedback and critique to the public and press as issues developed over the year correcting the misinterpretation and misrepresentation of the actual evidence for homeopathy. This information is vital in assisting the public to make informed choices and assist patients in securing homeopathic treatment on the NHS.

In order to build the evidence base the BHA continues to carry out data collection of current practice, perform an analysis and have the results published. An extensive veterinary data collection programme was analysed and broken down between equine, feline and canine data last year. The resulting paper on the equine data was published in the *Veterinary Record* and a paper on canine and feline data appeared in the October 2010 issue of *Homeopathy*. A dental data collection is complete, with analysis and possible publication of results in 2011. In addition to the veterinary work, a data collection pilot study was implemented at the Royal London Hospital for Integrated Medicine using iPods in July. An extended pilot, planned to run over a one month period across several clinics will be conducted in 2011.

Patients and statutorily regulated homeopathic practitioners need to have accurate information about the current evidence to make informed choices and often defend their case that homeopathy is an appropriate treatment. The Association has made a two-page synopsis of the evidence available on the website, as well as an evidence document indexed by condition, both are updated regularly as new studies are published. These two items are regularly the most popular downloads on the site, averaging a combined total of close to 300 downloads per month.

Encouraging the education and training in homeopathy of healthcare professionals

The BHA supports the Faculty of Homeopathy through an annual grant to help fund 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. It is also through doctors and other health care practitioners working in the NHS that more of the public can, at no cost, be introduced to and benefit from homeopathy.

It is important that there are doctors and other health care practitioners undergoing training in homeopathy and over the year there has been a small drop in enrolment on Faculty accredited training programmes in the UK. The Faculty and its accredited teaching centres continue to advertise courses and in the coming year the Faculty will be reviewing advertising strategies, implementing new approaches and developing online training which will hopefully result a rebound in enrolment figures.

Retention of students as well as the number of students who will undertake exams and gain qualifications is always a concern for if there are no qualified doctors and other health care practitioners the less opportunity there is for patients to benefit from homeopathy. The number candidates successfully sitting the MFHom exam more than doubled, increasing to 11 this year compared with 5 last year. This is a result of the Faculty restructuring and implementing a new examination process focussing on course-based assessment where exams occur throughout the course allowing the final clinical exam to be one day only. This is the modern method of assessment used in universities and is more appealing to the statutorily regulated health care professionals undertaking the exam.

British Homeopathic Association

Report of the Trustees for the year ended 31 August 2010(*continued*)

Encouraging the education and training in homeopathy of healthcare professionals (continued)

Growth in the number of doctors and other health care professionals that have some knowledge and interest in homeopathy is pivotal to patients being able to access homeopathic care. It is part of the medical curriculum that all medical students have an introduction to Complementary and Alternative Medicine (CAM) and as such many Faculty-accredited teaching centres and teachers have offered special study modules in homeopathy to medical students across the country. These special study modules are usually a multi-week defined educational programme with the Faculty's Primary Health Care Exam used as an end point assessment tool. In the past year there were 19 students who took the exam which remains a healthy number.

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 and ideally freely in the NHS. The priorities during the year were assisting patients with securing referrals, helping patients find a practitioner, developing a clinic in Norwich and helping local groups with campaigns to protect patients' access to NHS services.

Securing NHS referrals for homeopathic treatment is dependant on a patient's Primary Care Trust if living in England and Wales. Often there can be hurdles to getting referred for homeopathic treatment, this could include having to put a case before an Exceptional Treatments Panel. Patients approach the BHA for assistance by email, phone and search our website for help on how to best secure a referral. The BHA website is full of useful information and is often the first place patients look for information. The patient advice pages were a popular resource with 45,465 hits for the year.

The website also allowed the public to easily find a statutorily regulated homeopathic practitioner by postcode, city, profession and country with information updated weekly. The practitioner search facility on the website which is updated weekly had nearly 70,000 searches over the year helping thousands of people to find a homeopathic health care practitioner.

Development of an East Anglia clinic in Norwich advanced over the year but was hindered when the GP surgery space that was going to be rented became unavailable. New possible sites have been found and it is anticipated the clinic will open in 2011. Ideally the Association would like to secure additional funding to augment the charitable gift provided to start the clinic, to ensure five years operation. It will be run as a charitable clinic in an NHS.

The BHA over the year supported local campaigns to retain NHS services by providing advice, publicising events and news in *Health and Homeopathy* and on the website, writing to local authorities and PCTs if needed, providing template letters for patients to use and keeping other homeopathic organisations informed. In the coming year it is anticipated that there are more areas needing such assistance.

British Homeopathic Association

Report of the Trustees for the year ended 31 August 2010 (*continued*)

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. The aim is to raise funds from individuals and trusts as a complement to legacies, which are unpredictable. Over the year the Association has been more successful than last year in securing funding from charities and other organisations for specific ongoing work.

Legacies worth £196,243 were receivable during the year including those from the estates of Lilian N Clayson, Margaret McCreath, Alva Baden Norman, Gladys Simmons and Marion Tupper. The trustees are extremely grateful to each of these generous benefactors.

Over the year there was a concerted effort to find and retain Friends. During the year we welcomed 81 new Friends. There were a total of 1595 Friends at the end of the year.

The Association is extremely grateful for the continuing support of our Friends who are pivotal to its vitality. Friends' donations came to £56,653. Other donations totalled £93,095. We are very grateful to all our Friends and donors including the The Friends of Tunbridge Wells Homeopathic Hospital, The Samuel Goodenough Trust and

Gift aid of £7,257 was receivable this year, slightly down from 2009. This is reflective of a decrease in regular annual giving.

Royalties this year decreased to £1,097 (2009 £3,339).

Corporate

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, midwives, pharmacists, podiatrists and vets qualified in homeopathy. It ensures the highest standards of homeopathic training, education and practice and has over 1,100 members who find the quality of their patient care and professional satisfaction has 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 underpinned by fundraising. In the coming year fundraising to support our activities and effectively promoting homeopathy particularly through the internet will be core objectives.

Key aims during the coming year are to increase effectiveness of proactive media work by working with patrons to bring greater attention to the Association's messages by the public, enhance and modify website to increase its effectiveness, survey supporters, increase the number of grant applications made, work with other associations to increase impact of proactive messages and fundraising, launch charitable clinic in Norwich, increase the number of statutorily regulated health professionals undertaking homeopathic training; develop support information to help practitioners bid for contracts with GP groups.

The Association has agreed to take Trusteeship of the Bath Homeopathic Hospital and Dispensary Trust (registered charity number 205568) which will be finalised in 2011.

British Homeopathic Association

Report of the Trustees for the year ended 31 August 2010 (*continued*)

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 sub-group of the trustees act to advise Council on financial matters, including the appointment of financial advisers and guidance on financial controls and another sub-group advises Council on communications and marketing matters

Work 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 team of the British Homeopathic Association, led by the Chief Executive, 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 who work for both organisations. 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

Free reserves are those funds which are unrestricted and not designated to a particular purpose and can be freely used to pay for day-to-day operations. The level of free reserves at the end of 2010 was £926,805. The forecasted operating deficit for the next three years is £450,000 which is well within the amount of free reserves

British Homeopathic Association

Report of the Trustees for the year ended 31 August 2010 (*continued*)

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, Rensburg Sheppards.

The objectives of the investment policy are to ensure creation of sufficient income and capital growth to enable the charity to carry out its purposes consistently year by year with due and proper consideration for future needs and maintenance of and if possible enhancement of the value of invested funds. Performance is reviewed regularly with the fund managers who provide benchmarking of fund performance against the market in all their quarterly reports.

The trustees believe that the funds have been managed in accordance with the established policy.

Grant making policy

The BHA has a clear policy that it does not have the resources to be a public grant making body at this time. We encourage partners and those of compatible objectives to our own to call on the expertise of BHA staff and Faculty members. For example, rather than funding a piece of research, staff may provide advice on putting together a research proposal that attracts funding from another body.

The main exception to this principle will be grants awarded to other organisations to fulfil core BHA/Faculty of Homeopathy functions on a 'contract' basis at the agreement of trustees.

Risk management

The Association reviews key risks every meeting and regularly reviews the full schedule of risks. Significant risks addressed each meeting focus on issues of financial security of the charity, appropriate staffing and retention of organisational knowledge to ensure the Association meets objectives and appropriate governance to ensure the charity meets statutory and organisational obligations.

Employees

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

British Homeopathic Association

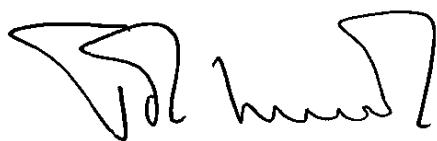
Report of the Trustees for the year ended 31 August 2010 (*continued*)

Auditors

FKCA Ltd have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act

The above report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006

On behalf of the Trustees

A handwritten signature in black ink, appearing to read 'John K H Cook', written in a cursive style.

John K H Cook
Chairman

28 April 2011

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 2010, 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 Sections 495 and 496 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with the regulations made under section 43 of the Charities Act 1993. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members and trustees 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) and for being satisfied that the financial statements give a true and fair view. These views 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures specified by law regarding trustees' remuneration specified by law are not made.

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

British Homeopathic Association

Report of the Independent Auditors (continued)

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:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2010 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 United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.



**Stephen Mason Bsc ACA Senior Statutory Auditor
for and on behalf of FKCA Ltd,
Chartered Accountants & Statutory Auditors**

Prospero House
46-48 Rothesay Road
Luton LU1 1QZ

Date 16/6/2011

British Homeopathic Association

Statement of Financial Activities for the year ended 31 August 2010

		Unrestricted	Restricted	Permanent		
		Funds	Funds	Endowment	Total	Total
	Note	£	£	£	2010	2009
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Donations and gifts	3	1,000	54,121	37,974	93,095	24,069
Friends donations		56,653	-	-	56,653	61,552
Legacies		196,243	-	-	196,243	110,525
Incoming resources from activities for generating funds						
Royalties		1,097	-	-	1,097	3,339
Investment income	4	39,159	8,292	-	47,451	49,605
Other incoming resources		38,517	-	-	38,517	8,798
Total incoming resources		332,669	62,413	37,974	433,056	257,888
Resources expended						
Cost of generating funds						
Investment management fees		4,365	369	950	5,684	4,533
Fundraising and publicity	5	2,810	-	-	2,810	4,062
Charitable Activities						
Training of healthcare professionals	5	60,010	19,773	-	79,783	70,613
Provision of information	5	86,629	-	-	86,629	101,947
Increasing public access	5	65,243	10,121	-	75,364	32,752
Research and development	5	17,799	51,698	-	69,497	67,215
Governance costs	5	9,307	-	-	9,307	13,814
		246,163	81,961	950	329,074	294,936
Net (outgoing)/incoming resources before revaluation of investments		86,506	(19,548)	37,024	103,982	(37,048)
Realised gains/(losses)	9	7,003	591	4,895	12,489	(39,587)
Unrealised gains/(losses)	9	25,468	2,151	3,390	31,009	(56,980)
Net incoming/(outgoing) resources		118,977	(16,806)	45,309	147,480	(133,615)
Bad debt provision	16	8,485	-	-	8,485	-
Net movements in funds		110,492	(16,806)	45,309	138,995	(133,615)
Fund balances brought forward at 1 September 2009		816,313	100,878	161,567	1,078,758	1,212,373
Fund balances carried forward at 31 August 2010	13	926,805	84,072	206,876	1,217,753	1,078,758

The notes on page 17 to 25 form part of these financial statements

All incoming resources and resources expended derive from continuing activities

British Homeopathic Association

Summary Income & expenditure Account for the year ended 31 August 2010

	2010 £	2009 £
Gross income from continuing operations (Excludes Endowments)	395,082	257,888
Total income of continuing operations	395,082	257,888
Total expenditure of continuing operations	(329,074)	(294,936)
Net gains/(losses) before transfers	66,008	(37,048)
Net gains/(losses) on fixed asset investments	43,498	(96,567)
Net movement in funds	109,506	(133,615)
Bad debt provision	(8,485)	-
	<u>101,021</u>	<u>(133,615)</u>

Total income comprises £332,669 (2009 £200,682) for unrestricted funds and £62,413 (2009 £57,206) for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities. Total expenditure for the year was £329,074 (2009 £294,936) comprising £246,163 (2009 £240,349) of unrestricted funds and £81,961 (2009 £53,773) 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 page 17 to 25 form part of these financial statements.

British Homeopathic Association

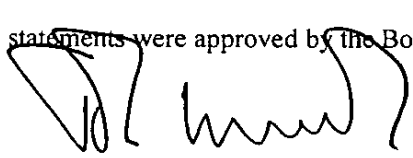
Balance Sheet as at 31 August 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	8	4,492	6,186
Investments	9	1,013,306	859,406
		<hr/>	<hr/>
		1,017,798	865,592
Current assets			
Debtors	10	47,278	47,092
Cash at bank and in hand		177,810	189,887
		<hr/>	<hr/>
		225,088	236,979
Creditors: amounts falling due within one year	11	25,133	23,813
		<hr/>	<hr/>
Total assets less current liabilities		199,955	213,166
		<hr/>	<hr/>
Total Net assets		1,217,753	1,078,758
		<hr/>	<hr/>
Income funds			
Unrestricted funds		926,805	816,313
Restricted funds		84,072	100,878
Permanent Endowment		206,876	161,567
		<hr/>	<hr/>
	13	1,217,753	1,078,758
		<hr/>	<hr/>

The financial statements been prepared in accordance with the provisions applicable to companies subject to the small companies regime with Part 15 of the Companies Act 2006
Company registration 102915

The notes on page 17 to 25 form part of these financial statements

The financial statements were approved by the Board on 28/4/11 and signed on its behalf by


John K H Cook
Chairman

British Homeopathic Association

Notes forming part of the financial statements for the year ended 31 August 2010

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) the Companies Act 2006, including Part 15 relating to small companies

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

The Association incurs four categories of expenditure, they are cost of generating funds, charitable activities, support costs and governance. All categories of expenditure are accounted for on an accruals basis.

A cost for generating funds includes fundraising and publicity costs as well as investment management fees. Charitable expenditure includes the direct costs of planning, staffing and operating activities. The cost of generating funds and support costs include administration, depreciation, staffing and other overheads, which have been allocated to the other main categories on a staff time basis. Governance expenditure includes audit fees and council expenses and an allocation of indirect costs, all being incurred for the constitutional offices of the charitable company.

Tangible fixed assets

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

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, 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

British Homeopathic Association

Notes forming part of the financial statements for the year ended 31 August 2010

Accounting policies (*Continued*)

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 realised and unrealised gains or losses

Gifts in kind

The Association includes individual gifts in kind where these are worth in excess of £500

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 recoverable tax suffered on investment income

Pensions

The company contributes to individual staff's pension schemes, whose assets are maintained separately from those of the Association. The pension charge represents the amounts payable by the company to the funds 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 2010

2 Resources expended

Resources expended are stated after charging

	2010 £	2009 £
Depreciation	2,213	3,048
Auditors remuneration	4,700	8,000
Pension costs	3,758	4,555

3 Donations

	Unrestricted £	Restricted £	Permanent Endowment £	2010 £	2009 £
Trust and corporate	1,000	49,121	37,974	88,095	1,000
Nelson Barcapel	-	-	-	-	15,000
Special Appeals	5,000	-	-	5,000	2,003
Blackie Foundation Trust	-	-	-	-	6066
	6,000	49,121	37,974	93,095	24,069

4 Investment income

	2010 £	2009 £
Rental income	11,028	11,031
Dividends and interest on investments	36,423	38,574
	47,451	49,605

British Homeopathic Association

Notes forming part of the financial statements for the year ended 31 August 2010

5 Analysis of total resources expended

	Direct costs £	Deprec- iation £	Staff costs £	Grants payable £	Other £	2010 Total £	2009 Total £
Cost of generating funds							
Fundraising and publicity	1,142	22	1,226	-	420	2,810	4,062
Investment management fees	-	-	-	-	5,684	5,684	4,533
	<u>1,142</u>	<u>22</u>	<u>1,226</u>	<u>-</u>	<u>6,104</u>	<u>8,494</u>	<u>8,595</u>
Charitable activities							
Training of healthcare professionals	-	133	7,350	69,744	2,556	79,783	70,613
Provision of information	19,855	930	49,001	-	16,843	86,629	101,947
Increasing public access	12,753	376	55,076	-	7,159	75,364	32,752
Research & Development	12,777	752	41,650	10,000	4,318	69,497	67,215
	<u>45,385</u>	<u>2,191</u>	<u>153,077</u>	<u>79,744</u>	<u>30,876</u>	<u>311,273</u>	<u>272,527</u>
Governance costs	6,014	-	2,450	-	843	9,307	13,814
	<u>6,014</u>	<u>0</u>	<u>2,450</u>	<u>-</u>	<u>843</u>	<u>9,307</u>	<u>13,814</u>
Total resources expended	<u>52,541</u>	<u>2,213</u>	<u>156,753</u>	<u>79,744</u>	<u>37,823</u>	<u>329,074</u>	<u>294,936</u>

6 Grants payable

	2010 £	2009 £
Funding of the Faculty of Homeopathy's educational work (note 14)	50,000	50,000
Local homeopathic clinics	-	200
Liverpool University senior lecturer's fund (overprovision in prior year)	-	(4,973)
Nelson Barcapel bursaries	19,744	14,860
Small grants	-	-
Bristol Homeopathic Hospital	<u>10,000</u>	<u>-</u>
	<u>79,744</u>	<u>60,087</u>

British Homeopathic Association

Notes forming part of the financial statements for the year ended 31 August 2010

7 Staff costs

	2010	2009
	£	£
Wages and salaries	138,463	122,603
Social security costs	14,532	12,581
Pension costs	3,758	4,555
	<u>156,753</u>	<u>139,739</u>

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

	2010	2009
Direct charitable activities	8	7

The Trustees received no emoluments during the year (2009 nil). However, all Trustees had travel expenses to and from Trustee's meetings during the year reimbursed totalling £1,988 (2009 £1,725).

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 £252,666 of which £95,913 has been recharged to the Faculty of Homeopathy, leaving £156,753 charged to the British Homeopathic Association as set out above.

8 Tangible fixed assets

	Office equipment fixtures and fittings	Computer equipment	Total
	£	£	£
<i>Cost</i>			
At 1 September 2009	6,800	12,584	19,384
Additions in year	-	519	519
As at 31 August 2010	<u>6,800</u>	<u>13,103</u>	<u>19,903</u>
<i>Depreciation</i>			
At 1 September 2009	4,465	8,733	13,198
Charge for the year	771	1,442	2,213
As at 31 August 2009	<u>5,236</u>	<u>10,175</u>	<u>15,411</u>
<i>Net book value</i>			
At 31 August 2010	<u>1,564</u>	<u>2,928</u>	<u>4,492</u>
At 31 August 2009	<u>2,335</u>	<u>3,851</u>	<u>6,186</u>

British Homeopathic Association

Notes forming part of the financial statements for the year ended 31 August 2010

9 Fixed asset investments

	2010 £	2009 £
Market value		
At 1 September 2009	859,406	975,266
Acquisitions	277,086	160,122
Disposals at market value (proceeds £166,684, realised gains £12,489)	(154,195)	(219,002)
Unrealised gains/(losses)	31,009	(56,980)
	<u>1,013,306</u>	<u>859,406</u>

Splt of market value

Investments listed on a recognised stock exchange

UK fixed interest	180,289	173,847
UK equities	572,531	527,530
Overseas equities	200,594	141,939
Alternative assets	17,036	-
Property	42,856	16,090

Investments at market value

<u>1,013,306</u>	<u>859,406</u>
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Historical cost

At 1 September 2009	922,383	973,845
Disposals	(171,847)	(211,584)
Acquisitions	277,086	160,122

At 31 August 2010

<u>1,027,622</u>	<u>922,383</u>
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Investments greater than 5% of the portfolio

There were no investment holdings greater than 5% of the portfolio at 31 August 2010

<u>0</u>	<u>0</u>
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10 Debtors

	2010 £	2009 £
Debtors	27,236	33,004
Prepayments and accrued income	3,549	2,960
Related party debtors	16,493	11,128
	<u>47,278</u>	<u>47,092</u>

The related party debtors balance includes £12,521 from the Faculty of Homeopathy, £3,478 from the Kadleigh Fund and £494 from the Hahnemann House Trust

British Homeopathic Association

Notes forming part of the financial statements for the year ended 31 August 2010

11 Creditors: amounts falling due within one year	2010	2009
	£	£
Other creditors	11,947	7,657
Accruals and deferred income	6,726	9,681
Social security and other taxes	6,460	6,475
	25,133	23,813

12 Movement in funds	Balance at 1st September 2009	Incoming resources	Outgoing resources	Gains/ (losses)	Balance at 31st August 2010
	£	£	£	£	£
Permanent endowments					
Phillips Memorial Charity (Charity No 235902)	136,009	-	(824)	7,345	142,530
Homeopathic Post Graduate Samuel Goodenough Trust	25,558	-	(126)	940	26,372
	-	37,974	-	-	37,974
	161,567	37,974	(950)	8,285	206,876
Restricted					
Veterinary teaching & research fund	18,747	570	(863)	661	19,115
Clinics Appeal	36,918	1,169	(212)	1,357	39,232
John Ede Restricted fund	4,040	2	-	-	4,042
Nelson Barcapel Fund	19,730	7	(19,745)	8	-
Nelson Barcapel Research	7,644	240	(70)	280	8,094
Permanent endowment (income)	8	5,927	(5,935)	-	-
Mervyn Madge Fund	11,855	376	(59)	436	12,608
Special Appeal	-	5,000	(5,000)	-	-
General Research Fund	255	-	(255)	-	-
Blackie Foundation fund	1,681	-	(700)	-	981
Tunbridge Wells fund	-	43,844	(43,844)	-	-
Swine Flue Survey Fund	-	3,250	(3,250)	-	-
Samuel Goodenough Trust (income)	-	2,028	(2,028)	-	-
	100,878	62,413	(81,961)	2,742	84,072
Unrestricted					
General	816,313	298,418	(220,397)	32,471	926,805
	816,313	298,418	(220,397)	32,471	926,805
	1,078,758	398,805	(303,308)	43,498	1,217,753

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

British Homeopathic Association

Notes forming part of the financial statements for the year ended 31 August 2010

12 Movement in funds (continued)

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

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

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

The Nelson Barcapel Bursaries/Barcapel Foundation Fund is for the provision of assistance to doctors, dentists, pharmacists, nurses, osteopaths 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 Mervyn Madge Fund is for 1) the naming of a section of the BHA's library focused on homeopathic pharmacy in memory of the late Christina Brenda Madge and 2) assisting pharmacists on advanced homeopathic training by providing bursaries to pharmacists enrolling on DFHom and MFHom courses

The Special Appeal is an annual campaign to help fund ongoing and/or new projects with all donations received used within the year This year's special appeal was targetted toward day to day research activities such as data analysis, updating research information provided to the public via the website, development of research protocols, etc

The General Research Fund is for research

13 Analysis of net assets

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total funds £
Funds balances at 31st August 2010				0
Represented by				
Tangible fixed assets	4,492	-	-	4,492
Investments	780,916	66,288	166,102	1,013,306
Cash at bank and in hand	119,252	17,784	40,774	177,810
Other net current assets	22,145	-	-	22,145
	926,805	84,072	206,876	1,217,753

British Homeopathic Association

Notes forming part of the financial statements for the year ended 31 August 2010

14 Related parties

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

During the year the British Homeopathic Association made a grant of £50,000 to the Faculty

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

- (iii) **The Hahnemann House Trust** is an unincorporated connected registered charity. The BHA is the Trustee of the Hahnemann House Trust and holds and manages the charities' capital funds

15 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 £3,758 (2009 £4,555). There were no outstanding pension contributions as 31 August 2010 (2009 nil).

16 Bad Debt

The bad debt relates to unpaid rental income which the Trustees do not believe to be recoverable.