

**British Homeopathic Association**

Council Members' Report and  
Financial Statements

Year Ended

31 August 2001



**BDO**

BDO Stoy Hayward  
Chartered Accountants

# **BRITISH HOMEOPATHIC ASSOCIATION**

**Annual report and financial statements for the year ended 31 August 2001**

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## **Council members**

Dr D Spence – Chairman  
Mr J Churchill  
Mr J Cook  
Mr F Hunter  
Miss H A Jenkins  
Dr A Jones  
Dr S Kayne  
Dr B Leary (resigned 13 September 2001)  
Dr R Leckridge  
Mrs S Pickles  
Mr A Reynolds  
Dr B S Rose (resigned 1 September 2000)  
Mr R Whithear

## **Bankers**

HSBC PLC  
19 Marylebone High Street  
London, W1M 4BD

## **Stockbrokers**

Carr Sheppards Crosthwaite  
2 Gresham Street  
London, EC2V 7QN

## **Secretary and registered office**

Mr S Rustomji  
15 Clerkenwell Close, London, EC1R 0AA

## **Company number**

102915 (England and Wales)

## **Registered charity number**

235900

## **Auditors**

BDO Stoy Hayward, Emerald House, East Street, Epsom, Surrey, KT17 1HS.

# BRITISH HOMEOPATHIC ASSOCIATION

## Report of the trustees for the year ended 31 August 2001

The trustees acting for the charitable activities of the British Homeopathic Association submit their report and financial statements for the year ended 31 August 2001. 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 and a company limited 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.

### 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 campaigning and fundraising, for:

- i) research
- ii) professional education
- iii) public information and awareness
- iv) service provision

### 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.

	2001 £	2000 £
Balance of fund's assets at 1 September 2000	229,516	221,717
Investment income	7,237	7,543
Expenses paid on behalf of the Kadleigh Committee	(13,525)	(11,749)
Unrealised (loss)/gain	(59,173)	12,005
	<u>164,055</u>	<u>229,516</u>
Represented by:		
Investments	177,474	236,647
Money on deposit	22,512	15,275
Amounts due to the British Homeopathic Association	(35,931)	(22,406)
	<u>164,055</u>	<u>229,516</u>
Balance of fund's assets at 31 August 2001	164,055	229,516

# **BRITISH HOMEOPATHIC ASSOCIATION**

## **Report of the trustees for the year ended 31 August 2001 (*Continued*)**

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### **Statement of trustees' responsibilities**

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 judgements 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 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.

No new trustees were appointed during the year.

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.

### **Merger with the Homeopathic Trust**

In September 2000, the charity merged with the Homeopathic Trust, a charity established in 1948 to promote education and research in homeopathy. Both charities had become increasingly aware of the similarities of their objectives and areas of overlap in their work. A pooling of resources and streamlining of activities was felt to be in the best interests of homeopathy. It was agreed that the merged charity would be called the British Homeopathic Association and that the Homeopathic Trust would transfer all its assets to the British Homeopathic Association as of 1 September 2000. The Homeopathic Trust will remain a dormant company in order to protect the name in the interests of safeguarding any future legacy income.

### **Results**

The net outgoing resources for the year to 31 August 2001 were £538,769 prior to losses on investments at market value, which amounted to £463,868, leaving a reduction in funds of £1,002,637.

The provision of £855,000 to cover the grant to the Faculty of Homeopathy for three years has been calculated according to our most recent estimates of the Faculty's requirements. This figure will be reviewed and adjusted annually to enable the Faculty to continue its educational work.

Grants totalling £508,337 were made during the year, details of which are shown on page 14. The total reserves of the British Homeopathic Association stand at £1,109,519.

# BRITISH HOMEOPATHIC ASSOCIATION

## Report of the trustees for the year ended 31 August 2001 (*Continued*)

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### Activities during the year

#### Fundraising

Legacies totalling £94,715 were received from the estates of Mrs Mollie Stoner, A B Fleming, Aida Rawson, Emily Moody and the residue of the Dorothea Gmelin estate. The Association is most appreciative of legacies received, which are of vital importance in funding its activities.

Although the largest single source of the British Homeopathic Association's income comes from legacies, much has been done to raise funds from other sources.

£64,290 was raised from Friends and a further £52,015 in donations and gifts, including £28,100 from applications to charitable trusts.

#### Overview of progress during the year

The British Homeopathic Association has been successful in carrying out most of what it set out to do during 2000/01. The successful merger with the Homeopathic Trust has been a considerable achievement. The new British Homeopathic Association enjoys an increased media profile and much progress has been made on building the research capacity and infrastructure of the homeopathic community in partnership with the Faculty of Homeopathy. However, the British Homeopathic Association faces considerable challenges in the medium term. It has not been as successful in raising income as had been hoped (although a considerable amount of groundwork has taken place) and the financial situation has deteriorated markedly through the downturn in the stock market.

In view of this the trustees established a joint working group with the Faculty of Homeopathy to agree priorities, identify areas where immediate cost savings could be made and set expenditure limits for the next three years, should income levels fail to improve. The financial position will be reviewed again in Spring 2002 to ensure that any further actions can be identified for implementation in September 2002.

#### *Professional education and regulation*

The British Homeopathic Association's grant to the Faculty of Homeopathy has enabled the Faculty to continue its work in the training and education of health care professionals. 35 doctors and 5 veterinary surgeons gained the Faculty's membership qualification during the year and much work has gone into developing advanced training for other professions. A key achievement was the launch of a pharmacy diploma (DFHom(Pharm)) and the first course is now running at the Royal London Homoeopathic Hospital.

Most significant however is the approval by Liverpool University for the creation of a Senior Lecturer (Clinical) post in Homeopathic Medicine. The British Homeopathic Association and North Mersey Community NHS Trust have agreed to contribute funding for this important and innovative post. Fundraising and recruitment are underway for a planned appointment in 2002.

#### *Research*

The appointment of a Research Development Adviser has given a fresh impetus to research work. The British Homeopathic Association's new research strategy concentrates on developing a network of homeopathic practitioners trained in research methods who will be equipped to seek research funding from a wide range of grant-making bodies. 90 members of the Faculty of Homeopathy will be attending research methods courses to be run during 2002 and 130 Faculty members have expressed interest in a data collection project, which is currently being developed.

# BRITISH HOMEOPATHIC ASSOCIATION

## Report of the trustees for the year ended 31 August 2001 (*Continued*)

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### *Public relations and communications*

The recruitment of a Media Officer has led to a demonstrable increase in the press profile of the British Homeopathic Association and an almost threefold increase in the number of visitors to the website. The British Homeopathic Association has provided information about homeopathy to 10,000 enquirers during the year.

The British Homeopathic Association has exhibited at the National Cat Show, Crufts and the NHS Confederation Conference and provided speakers for public talks around the country, including three events especially for Friends of the British Homeopathic Association.

All communications have been integrated with the new corporate identity following the merger and *Health and Homeopathy* has been relaunched as the Friends' publication. A survey of Friends in August demonstrates that this is highly regarded by members of the British Homeopathic Association as well as by former Homeopathic Trust supporters and new Friends.

There has been little progress on the proposed museum as this depends on finding suitable premises and funding.

### *NHS promotion*

The clinics project continues to expand. The five clinics launched in April and September 2000 have enabled 390 new patients to have free homeopathic treatment in their first year of operation. A sixth new clinic opened up in Huntingdon in September 2001 and a further clinic will be established in Didcot in 2002.

Three health authorities have recently lifted restrictions on their funding of the Bristol Homeopathic Hospital. The Royal London Homeopathic Hospital had a 15% increase in income between 2000/01 and 2001/02. A small number of primary care organisations have set up new homeopathic clinics, for example in Dorset and Doncaster. However, a number of health authorities have restricted access to NHS homeopathy – notably South Essex and West Sussex Health Authorities, despite campaigning activity.

### **The Faculty of Homeopathy**

The Association continued to support and work closely with the Faculty of Homeopathy, the professional body that ensures the highest standards of homeopathic training, education and practice for and by statutorily registered healthcare professionals. The Faculty has over 1,200 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.

### **Future Developments**

During its centenary year, the British Homeopathic Association will continue to concentrate on activities in its five key strategic areas:

- Raising awareness of the benefits of homeopathy amongst patients, the general public and amongst the healthcare professions supported by lobbying and campaigning;
- Promoting access to treatment for all patients who could benefit, in the NHS and privately;
- Educating doctors and other statutorily registered healthcare professionals in homeopathy;
- Research to develop the evidence base of homeopathy and to improve its application; and
- Fundraising to enable all of the above.

# BRITISH HOMEOPATHIC ASSOCIATION

## Report of the trustees for the year ended 31 August 2001 (*Continued*)

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### Future Developments (*continued*)

A range of targets have been set in each of these areas. The trustees have also agreed on the need for a comprehensive review of the British Homeopathic Association's accommodation requirements which will include the closure of the its offices at 27a Devonshire Street, London W1 and transfer of all activities to the offices at 15 Clerkenwell Close, London EC1. Other reviews of current activities to be concluded during the coming year are British Homeopathic Association Enterprises and the grants making policy.

### Corporate governance

The trustees meet four to six 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.

Certain matters concerning the award of grants for further research on a cash limited budget are delegated to the Homeopathic Research Committee, a properly constituted sub-Committee. This sub-Committee formally reports its actions to the trustees at least annually.

In addition, the executive officers of the British Homeopathic Association meet 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.

### Reserves policy

The British Homeopathic Association's policy on reserves is consistent with the recommendations published by the Charity Commissioners. Reserves are established and reviewed to ensure that the charity retains a level of funds to meet its forward obligations and to ensure it can reasonably maintain a level of service in line with its objectives.

### Risk management

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems are in place to mitigate the British Homeopathic Association's exposure to the full range of risks identified.

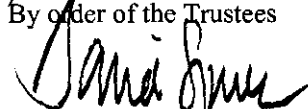
### Employees

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

### Auditors

Following a review in the autumn of 2000, BDO Stoy Hayward were appointed auditors at the AGM in May 2001.

By order of the Trustees



Dr David Spence  
Chairman

21 February 2002

# BRITISH HOMEOPATHIC ASSOCIATION

## Report of the independent auditors

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### To the members of British Homeopathic Association

We have audited the financial statements of the British Homeopathic Association for the year ended 31 August 2001 on pages 7 to 25 which have been prepared under the accounting policies set out on pages 10 and 11.

#### *Respective responsibilities of trustees and auditors*

The trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Trustees' Report is not consistent with the financial statements, if the 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 transactions with the group is not disclosed.

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

#### *Basis of opinion*

We conducted our audit in accordance with United Kingdom Auditing Standards 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 group'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 affairs of the company and the group as at 31 August 2001 and of the deficit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**BDO STOY HAYWARD**

*Chartered Accountants and Registered Auditors*

Epsom, Surrey

KT17 1HS

Date

3 March 2002

# BRITISH HOMEOPATHIC ASSOCIATION

## Consolidated statement of financial activities for the year ended 31 August 2001

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Fund £	Total 2001 £	Total 2000 £
<b>Incoming resources</b>						
Sponsorship		10,709	-	-	10,709	22,359
Subscriptions		64,290	-	-	64,290	66,895
Donations and gifts		4,868	49,350	-	54,218	15,025
Legacies		94,715	-	-	94,715	73,966
Royalties		3,747	-	-	3,747	2,638
Other income		9,504	-	-	9,504	8,684
Investment income		64,437	14,484	5,114	84,035	105,618
Gifts in kind		3,600	-	-	3,600	3,600
<b>Total income resources</b>		<b>255,870</b>	<b>63,834</b>	<b>5,114</b>	<b>324,818</b>	<b>298,785</b>
<b>Resources expended</b>						
Direct charitable expenditure:						
Grants payable	6	452,124	56,013	200	508,337	558,897
Supports costs		334,366	52,870	3,677	390,913	374,199
		<b>786,490</b>	<b>108,883</b>	<b>3,877</b>	<b>899,250</b>	<b>933,096</b>
Other expenditure:						
Fundraising and publicity		51,803	-	-	51,803	78,469
Management and administration of the charity		40,593	-	-	40,593	74,270
Net deficit of trading subsidiary	8	3,941	-	-	3,941	1,611
Release of provision	14	(132,000)	-	-	(132,000)	(213,000)
<b>Total resources expended</b>	<b>5</b>	<b>750,827</b>	<b>108,883</b>	<b>3,877</b>	<b>863,587</b>	<b>874,446</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(494,957)</b>	<b>(45,049)</b>	<b>1,237</b>	<b>(538,769)</b>	<b>(575,661)</b>
Transfers between funds		23,139	(151,268)	128,129	-	-
<b>Net incoming/(outgoing) resources</b>		<b>(471,818)</b>	<b>(196,317)</b>	<b>129,366</b>	<b>(538,769)</b>	<b>(575,661)</b>
(Losses)/gain on investment assets:						
Realised		(46,825)	-	-	(46,825)	(26,096)
Unrealised		(275,067)	(114,476)	(27,500)	(417,043)	280,994
<b>Net movements in funds</b>		<b>(793,710)</b>	<b>(310,793)</b>	<b>101,866</b>	<b>(1,002,637)</b>	<b>(320,763)</b>
<b>Fund balances brought forward at 1 September 2000</b>		<b>1,503,788</b>	<b>569,791</b>	<b>38,577</b>	<b>2,112,156</b>	<b>2,432,919</b>
<b>Fund balances carried forward at 31 August 2001</b>		<b>710,078</b>	<b>258,998</b>	<b>140,443</b>	<b>1,109,519</b>	<b>2,112,156</b>

The notes on pages 10 to 25 form part of these financial statements.

# BRITISH HOMEOPATHIC ASSOCIATION

## Summary income and expenditure account Year ended 31 August 2001

	2001 £	2000 £
Gross income from continuing operations	319,704	297,535
Total income of continuing operations	319,704	297,535
Total expenditure of continuing operations	(859,710)	(1,084,479)
Net expenditure for the year and investment asset disposals	(540,006)	(786,944)
Loss on disposal of fixed asset investments	(46,825)	(26,096)
Net expenditure for the year	(586,831)	(813,040)

Total income comprises £255,870 (2000: £245,258) for unrestricted funds and £63,834 (2000: £52,277) for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Detailed analysis of the expenditure is provided in the Statement of Financial Activities and Note 5.

Net expenditure before investment asset disposals for the year of £540,006 (2000: £786,944) comprises £494,957 (2000: £733,899) net expenditure of unrestricted funds and £45,049 (2000: £53,045) net expenditure of restricted funds, as shown in the Statement of Financial Activities.

The Summary Income and Expenditure account is derived from the Statement of Financial Activities on page 7 which together with the notes to the accounts on pages 10 to 25 provides full information on the movements during the year on all the funds of the charity.

The notes on pages 10 to 25 form part of these financial statements.

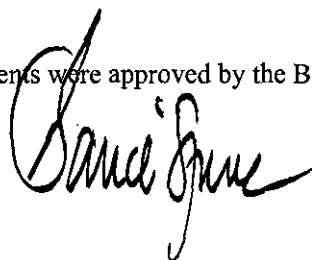
# BRITISH HOMEOPATHIC ASSOCIATION

Balance sheet at 31 August 2001

	Note	Group 2001 £	Group 2000 £	Charity 2001 £	Charity 2000 £
<b>Fixed assets</b>					
Tangible assets	9	55,381	73,885	55,381	73,708
Investments	10	1,895,818	2,559,908	1,895,818	2,559,908
		<u>1,951,199</u>	<u>2,633,793</u>	<u>1,951,199</u>	<u>2,633,616</u>
<b>Current assets</b>					
Stocks		4,541	6,577	403	403
Debtors	11	55,682	64,323	60,985	73,113
Cash at bank and in hand	12	107,736	530,828	105,330	527,850
		<u>167,959</u>	<u>601,728</u>	<u>166,718</u>	<u>601,366</u>
<b>Creditors: amounts falling due within one year</b>	13	154,639	136,365	153,398	135,826
		<u>13,320</u>	<u>465,363</u>	<u>13,320</u>	<u>465,540</u>
<b>Net current assets</b>					
		<u>1,964,519</u>	<u>3,099,156</u>	<u>1,964,519</u>	<u>3,099,156</u>
<b>Total assets less current liabilities</b>					
<b>Provision for liabilities &amp; charges</b>	14	(855,000)	(987,000)	(855,000)	(987,000)
		<u>1,109,519</u>	<u>2,112,156</u>	<u>1,109,519</u>	<u>2,112,156</u>
<b>Net assets</b>					
		<u>1,109,519</u>	<u>2,112,156</u>	<u>1,109,519</u>	<u>2,112,156</u>
<b>Income funds</b>					
Unrestricted funds		735,618	1,525,387	710,078	1,503,788
Restricted funds	17	258,998	569,791	258,998	569,791
Permanent Endowment	18	140,443	38,577	140,443	38,577
Non-charitable trading funds		(25,540)	(21,599)	-	-
		<u>1,109,519</u>	<u>2,112,156</u>	<u>1,109,519</u>	<u>2,112,156</u>

The financial statements were approved by the Board on 21 February 2002 and signed on its behalf by:

Dr David Spence  
Chairman



21 February 2002

Net assets at the date of the merger comprised £1,440,613 from the British Homeopathic Association and £671,543 from the Homeopathic Trust. There were no adjustments made to funds as a result of the merger.

The notes on pages 10 to 25 form part of these financial statements.

# BRITISH HOMEOPATHIC ASSOCIATION

## Notes forming part of the financial statements for the year ended 31 August 2001

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with (i) applicable accounting standards and (ii) the 1995 Charities Accounting Statement of Recommended Practice (SORP). There have been no changes in accounting policies during the year. The revised SORP, issued in October 2000, will be implemented in the 31 August 2002 financial statements. The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of the British Homeopathic Association and all of its subsidiary and associated undertakings as at 31 August 2001 using the acquisition or merger method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

#### *Merger accounting*

Merger accounting is used to record the merger of the British Homeopathic Association and the Homeopathic Trust that occurred on 1 September 2000 for nil consideration.

Hence in these financial statements the Homeopathic Trust is treated as if it has always been a member of the group headed by the British Homeopathic Association.

The Homeopathic Trust has been dormant during the entire year under review, following the date of the merger.

The comparative group figures for the previous period include the results of the Homeopathic Trust for that period, as well as its assets, liabilities and reserves as at the previous balance sheet date.

#### *Income*

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

#### *Resources expended*

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

Fundraising and publicity expenditure consists of the direct staff costs of fundraising and the costs of producing the Annual Report and membership recruitment..

Management and administration expenditure consists of the statutory and organisational costs of operating as a charitable company.

#### *Tangible fixed assets*

All additions to tangible fixed assets are stated at cost.

# BRITISH HOMEOPATHIC ASSOCIATION

## Notes forming part of the financial statements for the year ended 31 August 2001 (*Continued*)

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### 1 Accounting policies (*Continued*)

#### *Depreciation*

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

Office equipment, fixtures and equipment	-	10% or 25% reducing balance
Computer equipment	-	25%
Leasehold property and improvements	-	Period of lease
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.

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### *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 and also reclaims income tax on subscriptions paid under a deed of covenant.

#### *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 2001 (*Continued*)

## 2 Resources expended

Resources expended are stated after charging:

	2001 £	2000 £
Depreciation of tangible fixed assets	28,312	35,256
Auditors remuneration	10,000	11,810
Operating lease rentals – land and buildings	-	6,742
Pension costs	9,274	8,195
	<u>          </u>	<u>          </u>

## 3 Investment Income

	2001 £	2000 £
Deposit interest receivable	-	30,466
Dividend and interest on investments	84,035	75,152
	<u>          </u>	<u>          </u>
	84,035	105,618
	<u>          </u>	<u>          </u>

## 4 Gifts in kind

	2001 £	2000 £
Ainsworths (doctor's directory)	3,600	3,600
	<u>          </u>	<u>          </u>

# BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2001 (Continued)

## 5 Analysis of total resources expended

	Depreciation £	Staff costs £	Other £	2001 Total £	2000 Total £
<b>Direct charitable expenditure</b>					
Grants payable	-	-	508,337	508,337	558,897
Support costs	28,312	195,622	166,979	390,913	374,199
	28,312	195,622	675,316	899,250	933,096
<b>Other expenditure</b>					
Fundraising and publicity	-	38,599	13,204	51,803	78,469
Management and administration of the charity	-	10,355	30,238	40,593	74,270
Net deficit of trading subsidiary	-	-	3,941	3,941	1,611
Release of provision	-	-	(132,000)	(132,000)	(213,000)
	28,312	244,576	590,699	863,587	874,446

Total resources expended in the period can be further analysed as follows:

	2001 £	2000 £
Wages & salaries	244,576	242,710
Audit & accountancy	10,000	11,810
Computing ancillary costs	2,490	5,964
Consultants	812	-
Lighting, heating and cleaning	5,998	4,196
Maintenance	1,745	1,536
Printing, postage and stationery	11,714	15,659
Recruitment expenses	1,850	1,803
Rent, rates and insurance	46,093	46,535
Telephone and fax	4,803	4,977
Staff training	726	417
Travel	1,186	2,526
Grants	508,337	558,897
Membership and marketing	39,282	47,027
Information and library	8,361	15,656
Depreciation	28,312	35,256
Magazine costs	38,021	37,695
Meetings	5,633	24,627
Miscellaneous	5,564	12,199
Legal fees	483	4,235
Grant to SpR over provided	(3,086)	-
Doctors directory	3,870	5,354
Merger costs	14,605	751
NHS Promotion costs	1,926	4,936
Dykes project expenditure	3,889	1,069
Release of provision	(132,000)	(213,000)
Blackie Foundation Costs	293	-
Net deficit of trading subsidiary	3,941	1,611
Homeopathic Dictionary costs	4,163	-
	863,587	874,446

# BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2001 (Continued)

## 6 Grants Payable

	2001 £	2000 £
Tunbridge Wells Homeopathic Hospital teaching grant	5,000	-
Bromley Homeopathic Group	200	-
Pharmacy Flyer grant	2,500	-
Royal London Homeopathic Hospital Research Conference. Funding	5,000	-
The Lee Holland Memorial fund	867	185
Media Officer	1,510	5,526
Funding of The Faculty of Homeopathy's educational work (note 21)	320,540	344,869
Hom Inform Glasgow	44,428	37,858
Ad Hom Glasgow	16,290	15,090
British Homeopathic Library	11,794	10,729
Research		
RDA salary	19,607	-
AdHom for research into homeopathy and breast cancer	6,969	-
IDCCIM Project (Dr D Reilly)	16,340	-
Royal London Homeopathic Hospital (Research)	-	39,140
University of Wales (Research)	-	18,139
Economic Effectiveness	1,628	-
LIGA bursaries	1,180	6,462
LIGA Medical Romania	5,500	-
Personnel Officer	812	2,111
Nelson Barcapel Bursaries	12,657	22,238
Sundry	200	749
Local Clinics	35,315	14,000
Dove Healing Trust	-	1,000
University College of London	-	4,000
Dictionary Fund	-	4,413
Homeopathic Physicians Teaching Group	-	12,028
The Royal London Homeopathic Hospital SpR posts	-	21,110
	<u>508,337</u>	<u>558,897</u>

# BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2001 (Continued)

## 7 Staff costs

	2001	2000
	£	£
Wages and salaries	214,785	200,590
Social security costs	20,517	19,446
Other pension costs	9,274	8,195
Redundancy costs	-	14,479
	<u>244,576</u>	<u>242,710</u>

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

	2001	2000
	Number	Number
Direct charitable activities	14	14

The trustees received no emoluments. However, all trustees had travel expenses to and from Trustees' meetings reimbursed totalling £5,056 (2000: £11,949) during the year.

One employee earned over £40,000 per annum, 50% of whose salary is shared with The Faculty of Homeopathy. Aggregate salary costs for the British Homeopathic Association and The Faculty of Homeopathy amounted to £458,300, of which £213,724 relates to The Faculty of Homeopathy, leaving £244,576 charged to the British Homeopathic Association as set out above and at note 5.

## 8 Net income/(loss) from trading activities of subsidiary

The company has a wholly owned trading subsidiary, British Homeopathic Association Enterprises Limited (a company limited by guarantee and does not have a share capital) which is incorporated in the UK. The trade of the subsidiary includes the sale of books and promotional merchandising. Any profits arising will be covenanted to the British Homeopathic Association. A summary of the trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

### Profit and loss account

	2001	2000
	£	£
Turnover	12,220	14,754
Cost of sales	8,124	7,841
	<u>4,096</u>	<u>6,913</u>
Gross profit	4,096	6,913
Administration expenses	8,037	8,524
	<u>(3,941)</u>	<u>(1,611)</u>
Net (loss)/profit	(3,941)	(1,611)
Amount covenanted to the British Homeopathic Association	-	-
	<u>(3,941)</u>	<u>(1,611)</u>

# BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2001 (*Continued*)

## 9 Tangible fixed assets – The Group

	Office equipment fixtures and equipment £	Short leasehold property £	Computer equipment £	Council regalia £	Total £
<i>Cost</i>					
At 1 September 2000	73,527	61,917	75,833	4,563	215,840
Additions	-	-	9,986	-	9,986
Disposals	(5,418)	-	(11,612)	-	(17,030)
<b>At 31 August 2001</b>	<b>68,109</b>	<b>61,917</b>	<b>74,207</b>	<b>4,563</b>	<b>208,796</b>
<i>Depreciation</i>					
At 1 September 2000	51,633	31,759	54,101	4,462	141,955
Charge for the year	5,492	11,913	11,024	61	28,490
Disposals	(5,418)	-	(11,612)	-	(17,030)
<b>At 31 August 2001</b>	<b>51,707</b>	<b>43,672</b>	<b>53,513</b>	<b>4,523</b>	<b>153,415</b>
<i>Net book value</i>					
<b>At 31 August 2001</b>	<b>16,402</b>	<b>18,245</b>	<b>20,694</b>	<b>40</b>	<b>55,381</b>
At 31 August 2000	21,894	30,158	21,732	101	73,885

**BRITISH HOMEOPATHIC ASSOCIATION**

Notes forming part of the financial statements for the year ended 31 August 2001 (*Continued*)

**9 Tangible fixed assets – The Charity**

	Office equipment fixtures and equipment £	Short leasehold property £	Computer equipment £	Council regalia £	Total £
<i>Cost</i>					
At 1 September 2000	73,527	61,917	66,954	4,563	206,961
Additions	-	-	9,986	-	9,986
Disposals	(5,418)	-	(11,612)	-	(17,030)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 August 2001</b>	<b>68,109</b>	<b>61,917</b>	<b>65,328</b>	<b>4,563</b>	<b>199,917</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 September 2000	51,633	31,759	45,399	4,462	133,253
Charge for the year	5,492	11,913	10,847	61	28,313
Disposals	(5,418)	-	(11,612)	-	(17,030)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 August 2001</b>	<b>51,707</b>	<b>43,672</b>	<b>44,634</b>	<b>4,523</b>	<b>144,536</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
<b>At 31 August 2001</b>	<b>16,402</b>	<b>18,245</b>	<b>20,694</b>	<b>40</b>	<b>55,381</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2000	21,894	30,158	21,555	101	73,708
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2001 (Continued)

## 10 Fixed asset investments

	2001 £	2000 £
Investments listed on a recognised stock exchange	1,894,331	2,558,421
Women's Pioneer Group	1,487	1,487
	<u>1,895,818</u>	<u>2,559,908</u>
Investments at cost	1,498,297	1,679,208
Market value at 1 September 2000	2,558,421	2,897,927
Disposals at market value	(475,677)	(1,039,825)
Acquisitions at cost	275,455	474,250
Realised gains	26,073	-
Unrealised (losses)/gains	(489,941)	226,069
	<u>1,894,331</u>	<u>2,558,421</u>
<b>Market Value at 31 August 2001</b>	<b>1,894,331</b>	<b>2,558,421</b>
The investments listed on a recognised stock exchange are analysed as follows:		
Fixed interest	219,310	245,297
UK Equities	1,676,508	2,314,611
	<u>1,895,818</u>	<u>2,559,908</u>

At the balance sheet date the following investments represented more than 5% of the charity's portfolio by market value:

Fledgling Charity UK Equity	23%
Fledgling Charity Bond Fund	7%

## 11 Debtors

	Group 2001 £	Group 2000 £	Charity 2001 £	Charity 2000 £
Due within one year				
Trade debtors	499	504	-	-
Amount due from subsidiary undertaking	-	-	5,802	9,743
Other debtors and prepayments	19,252	41,413	19,252	40,964
Related party debtors	35,931	22,406	35,931	22,406
	<u>55,682</u>	<u>64,323</u>	<u>60,985</u>	<u>73,113</u>

# BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2001 (*Continued*)

## 12 Cash at bank and in hand

	Group 2001 £	Group 2000 £	Charity 2001 £	Charity 2000 £
Held by the British Homeopathic Association	12,610	25,511	10,204	22,533
Held by the Fund Managers	95,126	505,317	95,126	505,317
	<u>107,736</u>	<u>530,828</u>	<u>105,330</u>	<u>527,850</u>

## 13 Creditors: amounts falling due within one year

	Group 2001 £	Group 2000 £	Charity 2001 £	Charity 2000 £
Bank overdraft	236	30,620	236	30,620
Trade creditors	279	-	-	-
Social security and other taxes	13,785	11,944	13,323	11,944
Other creditors and accruals	87,716	77,038	87,216	76,499
Amount due related party	52,623	16,763	52,623	16,763
	<u>154,639</u>	<u>136,365</u>	<u>153,398</u>	<u>135,826</u>

## 14 Provisions for liabilities and charges

	2001 £	2000 £
Faculty Grant:		
Provision brought forward	987,000	1,200,000
Provision for one year to 31 August 2004 (2003)	285,000	329,000
Provision written back for current year	(417,000)	(542,000)
	<u>855,000</u>	<u>987,000</u>

In the period to 31 August 1998, the Council agreed to provide £1,200,000 from existing reserves to cover the estimated grant to the Faculty of Homeopathy against its planned expenditure for the next three years. Following a review of the situation the council decided to reduce the provision further to £855,000 for the next three years. Consequently, £132,000 has been released to the Statement of Financial Activities in the year, being the difference between the provision for one year to 31 August 2004 and the provision written back for the current year.

**BRITISH HOMEOPATHIC ASSOCIATION**Notes forming part of the financial statements for the year ended 31 August 2001 (*Continued*)**15 Unrestricted funds**

	<b>General Fund 2001 £</b>	<b>General Fund 2000 £</b>
Balance at 1 September 2000	1,463,948	1,791,051
Income	255,870	179,780
Expenditure	(882,827)	(851,638)
(Loss)/Gains on investments	(321,892)	166,266
Transfers	60,657	(34,511)
Release of provision	132,000	213,000
	<hr/>	<hr/>
<b>Balance as at 31 August 2001</b>	<b>707,756</b>	<b>1,463,948</b>
	<hr/>	<hr/>

**16 Designated funds**

	<b>2001 £</b>	<b>2000 £</b>
Balance at 1 September 2000	39,840	62,607
Expenditure	-	(57,278)
Transfers	(37,518)	34,511
	<hr/>	<hr/>
<b>Balance as at 31 August 2001</b>	<b>2,322</b>	<b>39,840</b>
	<hr/>	<hr/>

The £2,322 has been designated to cover a seminar on research in economic effectiveness.

# BRITISH HOMEOPATHIC ASSOCIATION

## Notes forming part of the financial statements for the year ended 31 August 2001 (Continued)

### 17 Restricted funds

	Balance at 1 September 2000	Incoming	Outgoing	Gains/ (losses)	Transfers	Balance at 31 August 2001
	£	£	£	£	£	£
EC Burton research fund	539	19	(408)	(150)	-	-
Veterinary teaching and research fund	38,230	1,339	(3,173)	(10,607)	-	25,789
William Kadleigh memorial fund	106	4	(9)	(29)	-	72
James Campbell MacKillop scholarship fund	930	33	(77)	(258)	-	628
Samuel Goodenough Memorial Trust	17,801	621	(8,017)	(4,939)	-	5,466
Personnel fund	5,053	177	(1,238)	(1,402)	-	2,590
Nelson Barcapel Bursaries	6,948	243	(577)	(1,928)	-	4,686
Barcapel Foundation fund	614	20,021	(14,654)	(170)	-	5,811
Marcella Ellen Lindsay fund	61	2	(47)	(17)	-	(1)
The Lee Holland memorial fund	3,195	112	(1,132)	(886)	-	1,289
Christina Dykes fund	280,703	9,807	(42,905)	(77,880)	-	169,725
David Whitbread fund	34,803	1,216	(18,533)	(9,656)	-	7,830
LIGA Archives fund	4,549	159	(5,874)	(1,262)	2,428	-
John Goodger fund	12,665	442	(9,571)	(3,514)	-	22
Dictionary fund	192	7	(146)	(53)	-	-
Marks & Spencer fund	2,237	78	(1,695)	(621)	-	(1)
Clinics Appeal	3,979	29,489	(827)	(1,104)	-	31,537
John Ede Restricted fund	3,490	65	-	-	-	3,555
Phillips Memorial Charity (Charity no. 235902)	153,696	-	-	-	(153,696)	-
	569,791	63,834	(108,883)	(114,476)	(151,268)	258,998

The Veterinary teaching and research fund is for the research into veterinary homeopathy.

The William Kadleigh memorial fund income is for paying a grant to help doctors study homeopathy.

The Samuel Goodenough memorial trust is for the veterinary research and education.

The Nelson Barcapel bursaries, and The Barcapel Foundation funds are for the provision of assistance to doctors, dentists, and veterinary surgeons studying homeopathy on courses accredited by the Faculty of Homeopathy.

The Marcella Ellen Lindsay fund is for the training of homeopathic doctors in Glasgow.

The Christina Dykes fund is for a research project bearing the name of Alexander and Christina Dykes.

The David Whitbread fund is for information services.

The Clinic appeal is for a new homeopathic clinic.

# BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2001 (Continued)

## 18 Permanent Endowment

	Balance at 1 September 2000 £	Incoming resource £	Outgoing resources £	Gains/ (losses) £	Transfers £	Balance at 31 August 2001 £
The Homeopathic post graduate teaching education fund	38,577	1,345	(3,677)	(10,678)	(25,567)	-
Phillips Memorial Charity (Charity No. 235902)	-	3,769	(200)	(16,822)	153,696	140,443
	<u>38,577</u>	<u>5,114</u>	<u>(3,877)</u>	<u>(27,500)</u>	<u>128,129</u>	<u>140,443</u>

Charity Commission permission was obtained for the transfer to unrestricted funds of The Homeopathic Postgraduate Teaching and Education fund, which was for the training of doctors in Homeopathy.

## 19 Analysis of net assets between funds

	Unrestricted Funds £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total funds £
Funds balances at 31 August 2001 Represented by:					
Tangible fixed assets	55,381	-	-	-	55,381
Investments	1,494,056	2,322	258,998	140,443	1,895,819
Cash at bank and in hand	107,736	-	-	-	107,736
Other net current assets/liabilities	(94,417)	-	-	-	(94,417)
Provision for liabilities	(855,000)	-	-	-	(855,000)
	<u>707,756</u>	<u>2,322</u>	<u>258,998</u>	<u>140,443</u>	<u>1,109,519</u>

During the year the trustees exercised their discretion to transfer the permanent endowment funds to a connected charity that has similar objects and observes the donor's wishes to maintain the funds as capital.

There is no restriction to retain the assets held in the permanent endowment fund, however where assets held in the permanent endowment fund are exchanged their place in the fund must be taken by the assets received in exchange.

# BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2001 (Continued)

## 20 Commitments

At 31 August 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2001 £	Land and buildings 2000 £
Between two and five years	58,000	58,000

## 21 Related parties

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 £327,917 of expenses incurred on its behalf and the British Homeopathic Association made a grant of £320,540 to the Faculty. The British Homeopathic Association has provided £855,000 to meet the cost of a three-year grant to the Faculty.

The balance owed by the British Homeopathic Association, as at 31 August 2001 was £52,623.

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.

	2001 £	2000 £
Balance of Fund's assets at 1 September 2000	229,516	221,717
Investment income	7,237	7,543
Expenses paid on behalf of the Kadleigh Committee	(13,525)	(11,749)
Unrealised (loss)/gain	(59,173)	12,005
<b>Balance of Fund's assets at 31 August 2001</b>	<b>164,055</b>	<b>229,516</b>
Represented by		
Investments	177,474	236,647
Money on deposit (Iceberg)	22,512	15,275
Amounts due to British Homeopathic Association	(35,931)	(22,406)
<b>Balance of Fund's assets at 31 August 2001</b>	<b>164,055</b>	<b>229,516</b>

The funds held as at 31 August 2001 were £164,055 in investments that have not been included in the British Homeopathic Association's accounts.

The British Homeopathic Association also paid for £13,525 expenses on behalf of the Kadleigh committee the balance of which is outstanding as at 31 August 2001 and is included within debtors in the accounts.

## **BRITISH HOMEOPATHIC ASSOCIATION**

Notes forming part of the financial statements for the year ended 31 August 2001 (*Continued*)

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### **21 Related parties (*Continued*)**

The trustees of the British Homeopathic Association are the trustees of the Hahnemann House Trust (Registered Charity No 252702).

At the financial year ended 31 August 2001, the net assets of the Hahnemann House Trust were £561,131 (2000: £640,070). The net outgoing resources for the year were £78,940 (2000: £69,248 net incoming resources).

The Hahnemann House Trust is not incorporated within the financial statements of the British Homeopathic Association.

### **22 Future legacies**

As at 31 August, numerous legacies had been notified. These are as follows:

Mrs. E. Woolcott: The British Homeopathic Association is entitled to 25% of the deceased's property, and the amount due is expected to be in the region of £25,000.

Ms Winifred Bryan: The British Homeopathic Association is entitled to 25% of the estate of the deceased, and the amount due is expected to be in the region of £40,000.

Mr Edward Woods: The British Homeopathic Association is due to receive 3/70ths of the residue of this estate, and it is expected that the sum would be approx. £1,500.

Mr Arthur Morton: The British Homeopathic Association is entitled to 1/76th of the residue of this estate, but no estimate can be made of the amount in question.

The Rev. T W Griffith: The British Homeopathic Association has been advised that they have been left a share in one half of the estate. The size of the estate is however not known.

### **23 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 £9,274 (2000: £8,195)

# BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2001 (*Continued*)

## 24 Statement of Financial Activities (comparatives for 2000)

	The British Homeopathic Association £	The Homeopathic Trust £	Total 2000 £
<b>Incoming resources</b>			
Sponsorship	-	22,359	22,359
Subscriptions	31,462	35,433	66,895
Donations and gifts	15,025	-	15,025
Legacies	9,980	63,986	73,966
Royalties	2,216	422	2,638
Other income	2,006	6,678	8,684
Investment income	51,811	53,807	105,618
Gifts in kind	-	3,600	3,600
<b>Total income resources</b>	<b>112,500</b>	<b>186,285</b>	<b>298,785</b>
<b>Resources expended</b>			
Direct charitable expenditure:			
Grants payable	-	558,897	558,897
Supports costs	92,584	281,615	374,199
	<b>92,584</b>	<b>840,512</b>	<b>933,096</b>
Other expenditure:			
Fundraising and publicity	5,993	72,476	78,469
Management and administration of the charity	40,131	34,139	74,270
Net deficit of trading subsidiary	1,611	-	1,611
Release of provision	-	(213,000)	(213,000)
<b>Total resources expended</b>	<b>140,319</b>	<b>734,127</b>	<b>874,446</b>
<b>Net incoming/(outgoing) resources</b>	<b>(27,819)</b>	<b>(547,842)</b>	<b>(575,661)</b>
Gains on investment assets	49,718	205,180	254,898
<b>Net movements in funds</b>	<b>21,899</b>	<b>(342,662)</b>	<b>(320,763)</b>
<b>Fund balances brought forward at 1 September 2000</b>	<b>1,418,714</b>	<b>1,014,205</b>	<b>2,432,919</b>
<b>Fund balances carried forward at 31 August 2001</b>	<b>1,440,613</b>	<b>671,543</b>	<b>2,112,156</b>

The comparative figures for the year to 31 August 2000 have been obtained by consolidating the Homeopathic Trust's 31 August 2000 Statement of Financial Activities (SOFA) with the comparative SOFA of the British Homeopathic Association, the latter having been calculated from the audited accounts for the 5 months to 31 August 2000 and 7/12ths of those for the 12 months to 31 March 2000.