

Report and financial statements for the year ended 2006 for The Medical Council on Alcohol

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Report of the Trustees and Directors for the year ending 31 March 2006

The Medical Council on Alcohol is a Registered Charity (Number 265242) and a Company Limited by Guarantee and not having a share capital (Company Registration Number 952312). It is governed by its Memorandum and Articles of Association dated 28 February 1969 under which one-third of the Executive Committee are elected or re-elected at each Annual General Meeting. The Executive Committee appoints the Chairman and two Vice-Chairmen and is also entitled to appoint new Trustees and determine the method of their appointment.

Trustees as at 31 March 2006:

President

Sir Kenneth Calman

Vice Presidents

Dr M Evans

Dr E B Ritson

Professor P W Brunt

Dr J S Madden

Chairman

Vice Chairman

Executive Committee

Dr A D Beattie

Dr I Murray-Lyon

Dr D Fowle

Dr A Paton

Dr B D Hore

Dr A Tate (deceased February 2006)

Prof P Howdle

Dr A D Thomson

Dr R F Hunt

Prof. R Touquet

Dr P Jauhar

Dr J Trowell

Dr M McCann

Dr S Wiseman

Dr R Mayall

Dr R A B Young

In attendance

Dr J Chick

Journal Editor

Mr J M Harries

Honorary Treasurer

Secretary

Dr G E Ratcliffe

Medical Director

Registered Office

5 St Andrew's Place (after 8 August 2006)

Regent's Park

London

NW1 4LB

Accountants

Goldwyns

Chartered Accountants

13 David Mews

Porter Street

London

W1U 6EQ

Bankers

National Westminster Bank plc

Marylebone & Harley Street Branch

PO Box 2021

10 Marylebone High Street

London

W1A 1FH

Financial Advisers

Brewin Dolphin Securities Limited

5 Giltspur Street

London

Structure, Governance, and Management

Organisation

The Council is governed by the Executive Committee and its subordinate Committees: Education and Public Health; Journal; Newsletter. There is a network of Regional Advisers associated principally with Medical Schools and Universities, and a membership of about 291. Members of the Executive are Directors under Company Law and Trustees under Charity Law. They are listed above. Members of the Company guarantee to contribute an amount not exceeding £1 each to the assets of the Company in the event of a winding-up. The total of such guarantees at 31 March 2006 was £291 (2005: £313).

Trustee selection methods

The directors of the company are also trustees for the purposes of charity law and under the company's articles are known as members of the Executive Committee. Under the requirements of the Memorandum and Articles of Association the members of the Executive Committee are elected to serve for a period of three years after which they must be re-elected at the next Annual General Meeting. The directors retire by rotation and, if eligible, can offer themselves for re-election.

Objects and Activities

Objects

The Council was established for "the benefit of the community to provide an organisation of registered medical practitioners with a view to the co-ordination of effort, the better understanding of alcoholism and its prevention and the treatment and after-care of alcoholics".

Relationships with others

The Medical Council on Alcohol has formal Agreements only with the Journal Publisher (Oxford University Press) and the European Society for Biological Research into Alcohol (a charity with similar objects, subject to Belgian National Law, but administered from Vienna).

In pursuance of its charitable objectives The Medical Council on Alcohol co-operates with such bodies as Alcohol Concern, the Health Education Authority, the Addiction Recovery Foundation, and the British Doctors' and Dentists' Group but has no formal relationship with these bodies other than, in the case of Alcohol Concern, mutual membership.

The MCA became affiliated to the Royal College of Physicians in 2006; this affiliation does not affect the independence of the MCA as a charity.

Achievements and Performance

Summary of main achievements of the charity during the year

The surplus for the year amounted to £47,491 compared with £58,852 in 2005. Of this surplus £16,037 (2005 £16,498) related to realised and unrealised gains on investments.

The continuing financial health of the Council depends to a large extent on a second successive year in which the Journal has benefited from an exceptional request from a US pharmaceutical company for a reprint of an article for circulation with its product. This request produced additional net income of £30,000 (2005 £50,000).

In addition further economies in support costs have produced savings of £5,000.

The improved financial health of the Council has enabled it to continue its activities in educational seminars and publications, and public education and guidance. In addition, during the year the Council helped coordinate the organisation of the National Alcohol Awareness Day for medical students, with the help of grants from the Garfield Weston Foundation and the Alcohol Education and Research Council. This was extremely well supported by medical students. Furthermore, planning for the re-launch of the Council's Newsletter was successfully undertaken with the first quarterly edition being published in May 2006. The newsletter will be circulated not only to MCA members but also to 1,200 members of the RCGP through the good offices of that College.

The continued financial health of the Council will lead to regular quarterly issues of the newsletter in future, and it is intended to repeat the National Alcohol Awareness Day in the future, hopefully with further sponsorship support, and assuming that the appropriate logistic support is available.

A proportion of administration and general expenses are directly attributable to the seven charitable activities listed in note 3(b) to the accounts. These include dealing with numerous written and telephone enquiries, and are split between them on a basis reflecting our actual experience.

Financial Review

Reserves Policy

The Council's Reserves increased by £47,491, the reasons for which are outlined in the previous section. At 31 March 2006 they stood at £258,268. Of these £3,214 represents a restricted fund for Educational Seminars and £2,179 an investment revaluation reserve.

The Council's investments are held largely in investment trusts, managed funds and listed bonds and are managed with the advice of Brewin Dolphin Securities Limited. The objectives are to produce a reasonable dividend yield with moderate risk and to have easily realisable investments.

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In addition the Directors have concluded that the major risk to the Council is that of a reduction in the already insufficient level of external funding. The Executive is pursuing the possibility of raising donations, both core and project based, to overcome this risk.

Auditors

In June 2005 the Council changed its Articles of Association to enable it to take advantage of the small charity provisions of the Companies Act 1985 and the Charities Act 1993. Accordingly, the previous auditors, Messrs Goldwyns, were reappointed as Reporting Accountants.

On behalf of the board:



Dr Guy E Ratcliffe
Secretary

Dated 4 August 2006

Accountants' Report to the members on the unaudited accounts of The Medical Council on Alcohol

We report on the accounts for the year ended 31 March 2006 set out on pages 9 to 14.

Respective responsibilities of directors and reporting accountants

As described on page 7 the trustees, who are also the directors of The Medical Council on Alcohol for the purposes of Company Law, are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of Opinion

Our work was conducted in accordance with the statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

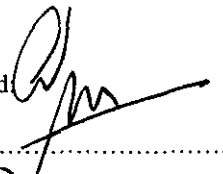
In our opinion

- a the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- b having regard only to, and on the basis of, the information contained in those accounting records:
 - i the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - ii the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Goldwyns
Chartered Accountants
13 David Mews
Porter Street
LONDON
W1U 6EQ

Signed

Date:


31st March 2006

Balance sheet as at 31 March 2006

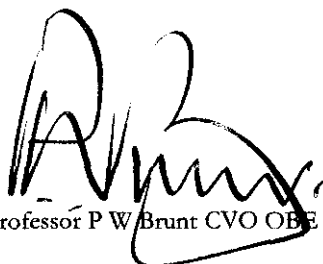
			2006	2005
	Notes	£	£	£
Fixed assets				
Tangible Assets	5		0	336
Investments	6		149,394	129,927
			<u>149,394</u>	<u>130,263</u>
Current Assets				
Debtors	7	25,968		27,989
Cash at Bank & in Hand		<u>105,456</u>		<u>66,634</u>
		131,424		94,623
Creditors: Amounts Falling due within one year	8	<u>-22,550</u>		<u>-14,110</u>
Net Current Assets			108,874	80,513
Total Assets less Current Liabilities			<u>£258,268</u>	<u>£210,776</u>
Unrestricted Funds	9			
Revaluation funds		2,179		20,048
General funds		<u>252,875</u>		<u>187,514</u>
			255,054	207,562
Restricted funds			3,214	3,214
Total funds	10		<u>£258,268</u>	<u>£210,776</u>

The directors are satisfied that the company was entitled to exemption under subsection (2) of section 249A of the Companies Act 1985 and that members have not required an audit in accordance with subsection (2) of section 249B.

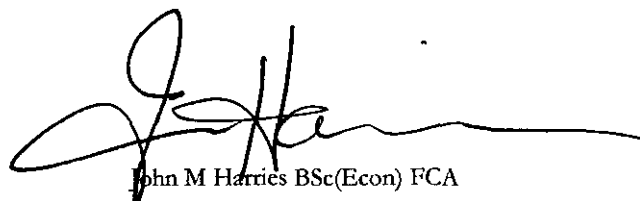
The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 221; and
- preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Approved by the Executive Committee subject to Accountants' independent review and signed on 28 June 2006.



Professor P W Brunt CVO OBE MD FRCP
Chairman Executive Committee



John M Harries BSc(Econ) FCA
Honorary Treasurer

Notes to the Financial Statements for the year ended 31 March 2006

1. Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards, as modified by the inclusion of fixed asset investments at market value and in accordance with Financial Reporting Standard for Smaller Entities (effective ~~June~~ ^{January} 2005) and the Charities Accounting Statement of Recommended Practice (SORP) as revised in 2005.

(a) In order that the Financial Statements present the true and fair view required by the Companies Act 1985, the prescribed format for the Profit and Loss Account has been dispensed with because in the opinion of the Executive Committee it would be misleading. A Statement of Financial Activities has been substituted, in compliance with the SORP. Compliance with the requirements of the SORP is necessary in order to give a true and fair view required by Company Law.

(b) Income

Income is accounted for gross when receivable, as long as it is capable of financial measurement. This includes donations, subscriptions, income from publications and investment income.

(c) Expenditure

All expenditure is accounted for gross, and when incurred. Rentals paid under operating lease are charged to the income and expenditure account as incurred.

57% of staff costs, rent/service charge, rates and insurance, and two thirds of office expenses have been allocated to the seven charitable activities listed in note 3(b).

(d) Tangible Fixed Assets

Depreciation on office equipment is provided on a straight line basis at a rate of 20% per annum. Items of expenditure are capitalised where the purchase price exceeds £1,000.

(e) Investments

The listed investment portfolio is stated at market value.

(f) Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of execution. Exchange differences are taken into account in arriving at the operating result. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

2. Directors

For the purposes of the Companies Acts, the persons regarded as Directors and the Board of Directors respectively, are the Members of the Executive Committee. Neither the Chairman nor any other Committee Member received any remuneration except as disclosed in Note 3 below.

3. Net outgoing resources

	2006	2005
(a) The net outgoing resources are stated after charging:	£	£
Depreciation	<u>336</u>	<u>333</u>

MEDICAL COUNCIL ON ALCOHOL

3. (b)

Breakdown of costs by charitable activities

	Direct Costs £	Grant Funded £	Support £	Total £	Restricted £	OVERALL TOTAL £
Journal (including Journal Committee)	35,109	0	11,837	46,946		
Newsletter	0	0	5,919	5,919		
Educational seminars (incl.E&PH Co	1,762	0	3,551	5,313		
Educational printing	0	0	5,919	5,919		
Library, grants & essays	1,094	0	2,367	3,461		
Public education, Guidance, etc.	911	0	29,593	30,504		
National Alcohol Awareness Day (NA	0	9,766			9,766	
	38,876	9,766	59,186	98,062	9,766	107,828

(b) (i)

Analysis of costs by financial activity

	TOTAL £	20% Journal £	10% Newsletter £	6% Educ. seminars £	10% Educ Printing, etc. £	4% Library, Grant and essay prize £	50% Publ.Ed Guidance & Research £	Governance & Admin. £
Staff	74,952	8,545	4,272	2,563	4,272	1,709	21,362	32,229
Premises	19,962	2,276	1,138	683	1,138	455	5,689	8,583
Other Off.Expens	7,589	1,016	509	305	509	203	2,542	2,505
	102,503	11,837	5,919	3,551	5,919	2,367	29,593	43,317

(c)

Governance and Administration costs:

Support costs:	43,317
Audit fee:	2,000
Executive committee costs:	2,503
Annual General Meeting:	2,321
Annual Report:	572

Total: £50,713

(d) Payments totalling £2,508.15 were made to 10 Executive Committee members in reimbursement of expenses incurred in attending meetings. The total amount was in respect of travelling costs.

4. Staff Costs

	2006 £	2005 £
Wages and Salaries	66,841	69,020
Recruitment Fee	2,585	0
Pension contributions	0	8,690
Social Security Costs	5,526	6,723
	<u>£74,952</u>	<u>£84,433</u>

Average number of employees

3 3

The average monthly number of employees during the year was as follows:-

	2006	2005
Secretary	1	1
Administrator and Support	2	2
Journal production	-	-

No employee received emoluments of more than £50,000.

5. Tangible fixed assets**Office Equipment****Cost:**

At 1 April 2005	£
and at 31 March 2006	<u>36,987</u>

Depreciation:

At 1 April 2005	36,651
Charge for the year	<u>336</u>

At 31st March 2006	<u>36,987</u>
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Net Book Value at 31 March 2006	0
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Net Book Value at 31 March 2005	<u>£336</u>
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6. Fixed Assets - Listed Investments**Listed**

At Market Value at 31 March 2006	<u>£149,394</u>
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At Market Value at 31 March 2005	<u>£129,927</u>
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Historical cost of investments held at 31 March 2006	<u>£147,216</u>
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Details of investments representing more than 5%:

of total investments at market value are as follows:

Treasury 7 1/2% Stock 2006	£20,870
Bristol & West 13.375% UNS Perp Sub Bonds	11,463
HBOS 9.25% Pref	10,871
Britannia 13% PBS Perm	8,784
Legal & General Hi Income	7,896
Invesco Perp Hi Income	14,880
Neptune Inc A NAV	14,418
Old Mutual UK Select	<u>7,836</u>

Total	<u>£97,018</u>
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7. Debtors

2006

2005

Amounts Falling Due Within One Year:	£	£
Prepayments and Accrued Income	706	698
Other Debtors	25,262	27,291

<u>£25,968</u>	<u>£27,989</u>
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8. Creditors

2006

2005

Amounts Falling Due Within One Year:		
Accruals and Deferred Income	<u>£22,550</u>	<u>£14,110</u>

9. Funds

The Company is limited by guarantee and therefore has no Share Capital. Member guarantors number 291 (2005: 313), each of whom has agreed to contribute a maximum of £1 in the event of winding up during his membership or within one year of his ceasing to be a member.

Purposes of Restricted Funds:

Restricted Funds are for Educational Seminars and are to be used for the specific purposes as laid down by the donor. An amount of £9,766 was received during the year for the National Alcohol Awareness Day. The amount was fully expended during the year.

MEDICAL COUNCIL ON ALCOHOL

10. Analysis of net assets between funds

Unrestricted funds	2006	2005
	£	£
Tangible fixed assets	-	336
Investments	149,394	129,927
Net Current Assets	105,660	77,299
	<u>255,054</u>	<u>207,562</u>
Restricted Funds	<u>3,214</u>	<u>3,214</u>
TOTAL:	<u>258,268</u>	<u>210,776</u>

11. Operating lease commitments

The following annual payments are committed to be paid in respect of operating leases.:

	2006	2005
Expiring:	£	£
Within 2-5 years	-	-
Over 5 years	<u>8,000</u>	<u>8,000</u>

Detailed income and expenditure for the year ended 31 March 2006

	Notes	£	2006 £	2005 £
INCOME				
Donations		59,402	61,391	
Bank Interest		2,326	923	
Broker Interest		816	0	
Investment Income		6,623	7,268	
Subscriptions (MCA)		6,412	7,015	
Subscriptions (Journal)		3,170	4,055	
Sundry		0	863	
Realised gain/(loss) on sale of investment		33,906	2,215	
Unrealised gain on value of investments		-17,869	14,283	
TOTAL INCOME			94,785	98,013
EXPENDITURE				
Administration Expenses				
Salaries & National Insurance	4	74,952	84,433	
<i>(exc. Journal staff) Incl consultants</i>				
Rent/service charge & rates		19,961	18,810	
			94,913	103,243
General Expenses				
Telephone		1,403	1,034	
Postage,stationery,photocopying,office Printing etc)		906	1,113	
Travelling & Conferences		500	2,599	
Audit & Accountancy		2,944	2,778	
Legal & Professional		306	611	
Advertising		539	0	
Sundry Expenses		139	567	
Maintenance & Repairs		271	239	
Insurance		934	883	
Depreciation	5	336	333	
Computer expenses		483	301	
Bank Charges,Currency losses,Invst.management		586	113	
Subscriptions to other organisations		241	400	
			9,589	10,971
<i>Carried Forward</i>			104,502	114,214

This page does not form part of the statutory financial statements.

Detailed income and expenditure for the year ended 31 March 2006

	2,006			2,005		
	£	£	£	£	£	£
<i>Brought Forward</i>			104,501			114,214
Journal & Newsletter Expenses						
Income from Journal		-99,584			-113,036	
Costs of production:						
Journal <i>Alcohol & Alcoholism</i>		34,657			31,261	
Total Journal and Newsletter expenses			-64,927			-81,775
Education & Seminar Expenses						
National Alcohol Awareness Day - Restricted	9,766			122		
Educational Seminars	786			664		
Less: Sponsorship donations - Restricted	-9,766			0		
		786			786	
Educational Printing & Distribution	358			1,773		
Less Income: Sale of Handbooks	-388			-1,032		
Towards Distribution	-1007			-1,169		
		-1,037			-428	
Library	594			286		
Essay Prizes	500			500		
Less: donation from Frowen Foundation	-500			-600		
		594			186	
Total Education expenses			343			544
Committee Expenses						
Travel & Meetings		4,487			3,657	
Cost of Annual General Meeting		2,321			2,117	
Cost of Annual Report		571			404	
Total Committee Expenses			7,379			6,178
TOTAL EXPENDITURE			<u>47,296</u>			<u>39,161</u>
Surplus/(deficit) for the year			<u>£47,491</u>			<u>£58,852</u>

This page does not form part of the statutory Financial Statements.