



The Medical Council on Alcohol
(A company limited by guarantee)

Report and Financial Statements
Year ended 31 March 2021

Charity number: 265242
Company number: 952312
VAT number: 128992569



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REPORT OF THE TRUSTEES & DIRECTORS OF THE MEDICAL COUNCIL ON ALCOHOL FOR THE YEAR ENDED 31 MARCH 2021

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) as well as being VAT registered (128992569). It is governed by its Memorandum and Articles of Association dated 28 February 1967 under which one third of the Executive Committee is 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.

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 March 2021 which are prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Effective October 2019).

MEDICAL DIRECTOR'S REPORT

The whole of the period covered by this report has taken place during the Covid 19 pandemic. Whilst the current situation in the UK is relatively positive, both in respect of case rates and vaccinations, the same cannot be said regarding the world-wide situation and the future is very uncertain.

The MCA office is closed with no fixed date for reopening. The MCA team successfully migrated to working from home and this currently remains the case. The situation was complicated by the fact that the start of the first lockdown coincided with an office move to new RCP leased premises. The negotiation of new premises and a new lease was protracted but agreement had been reached however unfortunately the physical move was interrupted by Covid-19. This has caused some complications especially with regard to IT as the MCA office is still split between two premises. The RCP agreed to keep the old rental rate throughout the past year but this is likely to increase to the new rate shortly once the move is (hopefully) completed.

Despite the complications described above, the MCA has managed to continue its work with the aim of reducing alcohol-related health harm, primarily through educational means. We continued to work with health professionals in the alcohol and health harm arena including of course students, promoting education for this group; our Journal is highly regarded in the field; we support organisations which support health professionals themselves in difficulty with alcohol; and we remain committed to achieving evidence-based policy change through our links with the Alcohol Health Alliance and other organisations.

The planned 2020 MCA Symposium on Interventions and Recovery and Max Glatt lecture was cancelled due to Covid, with a view to holding it in better times in 2021. In its place we held a webinar on Alcohol and Covid, immediately after our online AGM. This was a new departure for the MCA in response to circumstances but in the event, it proved unexpectedly successful with a much higher attendance than normally achieved at our Symposia. Speakers included Peter Rice, Katherine Severi and Chris Daly and the event was chaired by MCA President Sir Ian Gilmore. The MCA team met the digital challenges and a good level of discussion was achieved. A recording of the webinar is available on the MCA website and has been viewed by many more than were able to attend on the day. The event was free to attend and to view on the website but was run at a minimal cost to the MCA.

Other regular educational projects included the annual student essay competition, this year on the theme of Recovery. A very large number of entries were received and the winners well deserved their prizes. Handbook sales which were already at a fairly low level, decreased further due to the difficulty of distribution during Covid. In any case work has been proceeding to develop new up to date digital alternatives for this stream of work.

Our excellent relationship with Oxford University Press, our Journal co-owners, and the dedication of the chief Editors, are key to the on-going success of Alcohol and Alcoholism. The Journal is our principal source of income and over the past year this has resulted in an income of £166,233 (2020: £163,760). At bi-annual Journal Committee meetings ways of continuing the Journal's success are discussed, including Special Issues on topics of particular importance, the challenges posed by the growth in open access publishing and maximising marketing opportunities. Fortunately, a feared possible decrease in income due to Covid-19 has thus far not materialised.

Our investment income of course depends on the performance of the financial markets, which have shown the volatility expected due to Covid-19. We have benefited from the oversight of our financial advisors Charles Stanley with whom members of the Executive Committee and the Treasurer meet regularly.

Our aim for the next year is to continue our activities to meet our mission of improved outcomes for patients with alcohol related health harm. We aim to do this while staying in budget which requires careful scrutiny of all our activities and maximisation of fundraising opportunities. The lessons we have learnt from the year past will certainly influence our work going forwards.

OUR PURPOSE AND ACTIVITIES

Objectives

The Council was established in 1967 for “the benefit of the community to provide an organisation of registered health care professionals 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”.

Our purpose

- To ensure that all doctors, medical students, nurses and other professionals allied to medicine understand the risks to their patients from alcohol and act effectively to prevent and manage these.
- To work with health care professionals to increase their understanding of the risks associated with their own alcohol consumption and of the measures to address these.
- To promote scientific advancement in the understanding, prevention and management of alcohol-related harm through our Journal and other publications and activities.
- To work with other organisations on public health and policy interventions to reduce alcohol-related harm.

The vision that shapes our annual activities remains to create a workforce of health professionals educated and supported to reduce health harm from alcohol. Improving the competence of health professionals in the alcohol field will improve the quality of treatment for patients in the UK. The charity also supports healthcare professionals who have developed problems with their own use of alcohol.

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission’s guidance on public benefit, including the guidance ‘public benefit: running a charity’.



Educational Activities

We run a series of educational activities including student competitions, free leaflets and a yearly symposium. The income from this event is intended to ensure that the event itself is cost neutral, although our future strategy is to increase sponsorship and delegate income to create a small surplus to aid in covering the costs of educational activities. Our activities have the benefit of improving the competence of health care professionals, particularly at the beginning of their careers, to manage health harm from alcohol in their patients.

Membership

The MCA has a small membership body of 79, all from the healthcare field. The membership fees cover the cost of the thrice-quarterly newsletter and also allow the MCA to offer reduced rates for members to its educational events. Membership increases exposure to the MCA's activities, which in turn has increased the competence of health care professionals.

Journal

The MCA owns a 50% share with Oxford University press of the 'Alcohol and Alcoholism' journal. The income from the journal contributes towards the operational costs of the organisation. Within the next 3–5 years it is hoped that the impact factor will continue to increase and that the presence of the Journal in the US and Asia will have a positive influence on income. The Journal meets the MCA's vision and mission statements by contributing to the academic endeavours of improving the knowledge and understanding of alcohol-related health harm. This in turn improves the management of patients with alcohol-related health issues.

ACHIEVEMENTS AND PERFORMANCE

Performance Review 2020-2021

FINANCIAL GOAL	DID WE ACHIEVE IT?	COMMENTS
To generate a 4% yield on investments	NO	We received an approximate 3.5% yield on investments (£17,689).

EDUCATIONAL GOAL	DID WE ACHIEVE IT?	COMMENTS
To hold one AGM as stated in the MCA memorandum. To arrange one symposium with the aim to break even financially, and to have a minimum attendance of at least 100 people.	YES	The 2020 event was held online. It was well attended and had excellent feedback. It was free to delegates but was very low cost for the MCA.
To produce x3 copies of the newsletter 'Alcoholis'	YES	We produced 3 copies of the Alcoholis newsletter.

JOURNAL GOAL	DID WE ACHIEVE IT?	COMMENTS
To continue to increase the impact factor with the aspiration of achieving an impact factor of 2.5 – 3 within a 3-year period	NO	Annual impact factor was 2.078 with a 5-year impact factor of 2.475 (a slight decrease)

To produce 6 issues of A&A Journal a year, with at least 100 pages per edition	YES	
POLICY GOAL	DID WE ACHIEVE IT?	COMMENTS
To maintain links to the AHA (Alcohol and Health Alliance) and other organisations on issues of policy relevance e.g. minimum pricing	YES	Supported them financially as well as via social media
SUPPORT GOAL	DID WE ACHIEVE IT?	COMMENTS
To continue to work with the BDDG and SDT to promote both organisations and also sign post healthcare professionals suffering from an alcohol problem to these organisations	YES	Many links including committee membership and joint marketing at conferences

This year the Journal's impact factor decreased from 2.777 to 2.078. The MCA strengthened its links with the AHA by supporting them financially with a £1500 grant whilst we also highlighted each other's social media campaigns. The MCA also continued to work closely with the BDDG (British Doctors and Dentists Group) and the SDT (Sick Doctors Trust).

The MCA Webinar in 2020 was entitled 'Alcohol and Covid' and had over 200 attendees. The plans for the 2021 Symposium are currently under review, given the Covid-19 situation.

FINANCIAL REVIEW

The MCA recorded a net income for the year of £40,341 (2020: £18,101) before realised and unrealised investment gains of £184,988 (2020: losses of £134,807) showing a net increase in funds for the year of £225,329 (2020: £116,706 decrease). At the year end the Council had net funds of £867,170 (2020: £641,841).

Income

No Symposium was held during the year and so MCA received no income from this source. However, this shortfall was more than mitigated by the receipt of a legacy during the period of £16,000.

Journal income showed a small increase over the previous year to £166,233 (2020: £163,760), continuing its recent run of strong financial returns.

No income was received from Handbook sales during the year. Given the remaining copies are somewhat outdated and in poor condition, the decision has been taken not to market them further.

Primarily as a result of companies reducing or eliminating dividends entirely as they felt the financial consequences of the Covid-19 pandemic, dividends and interest income from investments for the year declined to £17,689 (2020: £22,026).

Expenditure

Total expenditure for the year was £166,182 (2020: £196,699). The significant decline compared to the previous year is partly due to no expenditure being incurred in respect of the Symposium. The overall effect of 'working from home' was to reduce MCA's activities and related expenses, as well as a number of overhead costs.

The intended increased cost of MCA's premises at the RCP did not take effect during the year and has been postponed to the 2021 / 2022 financial year.

Our Membership and Symposium Policies

The MCA has two pricing policies, one with regards to its membership and one with regards to its events. Both policies reflect our strategy of being accessible and cost effective to all types of healthcare professionals especially as budgets within the NHS are very strict at present, whilst aiming for the MCA to remain financially viable.

Investment Powers and Policy

The Council has appointed Charles Stanley and Co. as MCA's investment managers and members of the Executive Committee and the Treasurer have regular meetings with the investment manager to monitor performance. The investment manager is aware of the Council's ethical stance on alcohol-related investments.

The value of MCA's investment portfolio increased significantly as financial markets recovered following governments' measures to protect their economies from the effects of Covid - 19. At the time of writing this report the portfolio's recovery had been maintained into the current financial year.

At 31 March 2021 the carrying value of the investment portfolio, which excludes dividends received and is after charging investment management fees, had increased in value over the year by £183,531 (2020: decrease of £140,116) to £700,739 (2020: £521,262).

Reserves Policy

The Council's policy is that it will at all times seek to retain sufficient cash and easily liquidated investments to cover at least 9 months estimated future expenditure, which in 2020/2021 was approximately £130,000. At the year-end cash at bank and investments amounted to approximately £880,674. All investment holdings are considered to be capable of being liquidated quickly should the need arise.

Aims for the Future

The council's continuing aim is for its income and expenditure to be in reasonable balance before any major charitable projects. The Council's intention is to put income from its activities towards financing such projects, whilst being aware that there may be occasions when a project is of such importance that it may be appropriate to support out of the Council's retained funds.

We will continue to strengthen our links with healthcare professionals through our membership, educational activities and Journal as well as using social media to raise the profile of the organisation.

Through our collaboration with OUP, we will continue to work to increase the income generated from the Journal. In particular we are targeting an increase in the impact factor and the reach of the Journal in the USA particularly and other parts of the world.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Medical Council on Alcohol is a company limited by guarantee governed by its Memorandum and Articles of Association dated 1967. It is registered as a charity with the Charity Commission.

The Council is governed by the Executive Committee and its subordinate Committees: Education, Public Health and Journal. There is a network of Regional Advisors associated principally with Medical Schools and Universities, and a current membership of 79. Members of the Executive Committee are Directors under Company Law and Trustees under Charity Law. 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 during their membership or within one year of their ceasing to be a member. The total of such guarantees at 31 March 2021 was £79 (2020: £88).

Appointment of Trustees

Under the company's articles, directors of the company 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.

Most trustees are already familiar with the practical work of the Charity. Additionally, new trustees are encouraged to attend meeting sessions to familiarise themselves with the Charity and the context within which it operates.

Trustee Induction and Training

New trustees are briefed on their legal obligations under charity and company law, the Charity Commission guidance on public benefit and receive a copy of the Memorandum and Articles of Association. New trustees are presented with any recent financial documents and business plans.

Organisation

The board of trustees, which can have up to 30 members, administers the charity. The board normally meets three times a year and there are sub-committees covering investments and financial strategy which meet twice a year. A Chairman is appointed by the trustees to manage the day-to-day operations of the charity. To facilitate effective operations, the Chairman has delegated authority, within the terms of delegation approved by the trustees, for operational

matters including finance, employment and membership to the Medical Director and other committees (Education & Journal).

Related Parties and Co-operation with other Organisations

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 objectives, subject to Belgian National Law, but administered from Vienna).

In pursuance of its charitable objectives The Medical Council on Alcohol co-operates with bodies such as the Sick Doctors Trust, the Alcohol Health Alliance and the British Doctors' and Dentists' Group but has no formal relationship with these bodies.

The Medical Council on Alcohol became affiliated to the Royal College of Physicians in 2006: this affiliation does not affect the independence of The Medical Council on Alcohol as a Charity.

Pay Policy for Senior Staff

The directors, who are also the trustees, give of their time freely and no director received remuneration in the year. Details of directors' expenses are related party transactions and are disclosed in note 9 in the accounts.

The pay of MCA staff is reviewed annually in accordance with pay scales in other comparable medical organisations.

Risk Management

The Council is exposed to operational and financial risks as a result of its operating activities. To mitigate these risks a system of internal financial controls has been implemented that is designed to provide reasonable (although not absolute) assurance against material misstatement or loss.

The trustees have a risk management strategy which comprises:

- An annual review of the principal risk and uncertainties that the charity faces;
- The establishment of policies, systems and procedures to mitigate those risks identified in the annual review;
- The implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise

This work has identified that financial sustainability is the major financial risk for the charity. A key element in the management of financial risk is a regular review of the investment portfolio and active management of debtors and creditors balances to ensure sufficient working capital.

The Council is also exposed to market risk as a result of holding investments in equities and bonds. To manage this risk the Council has given clear guidelines to the investment manager with regards to the investment strategy to be followed and receives regular reports from the investment manager on the performance of the portfolio. Members of the Executive Committee and the Treasurer meet regularly with the manager to review investment performance.

Attention has also been focused on non-financial risks arising from fire and health and safety issues. These risks are managed by ensuring that all office machines are PAT tested regularly, having set policies and procedures in place, maintenance of equipment, back up of data to an external server and regular staff training.

REFERENCE AND ADMINISTRATIVE DETAILS:

Charity number: 265242

Company number: 952312

VAT number: 128992569

Registered Office: 2 St Andrews Place, London NW1 4LB

Our Advisors:

Independent Examiner:	Martin Myers, Goldwyns	109 Baker Street, London, W1U 6RP
Bankers:	Natwest	PO Box 2021, London, W1A 1FH
Investment Manager:	Charles Stanley	25 Luke Street, London, EC2A 4AR

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. The trustees as at 31 March 2021 were as follows:

OFFICERS President Vice President	Professor Sir Ian Gilmore Dr Bruce Ritson,	MD, FRCP, DL OBE, MD, FRCPsych, FRCP (Ed)
EXECUTIVE COMMITTEE Officers: Chairman Education Committee Chair Journal Committee Chair	Prof Colin Drummond Dr Iain Smith Dr Peter Rice	MB ChB, MD, FRCP, FRCPsych, FFPH, FRCGP(Hon) MB ChB, BSc, FRCPsych MB ChB, FRCPsych
Members:	Prof Jonathan Chick, Dr Claire Gerada, Prof Eilish Gilvary, Dr Anne McCune, Dr Zulfiquar Mirza, Dr Marsha Morgan, Dr Andrew Thillainayagam, Dr Alistair Young Dr Michael Dougan (from March 2021)	MA, MPhil, DSc, FRCP(Ed), FRCPsych MBE, FRCP, FRCGP, MRCPsych FRPsych, MRCGP, DCH, FRCPI MD, FRCP MBChB, DCH, DRCOG, MRCP, FFAEM, Tox FRCM MB ChB, FRCP MD, FRCP MB ChB, MRCPsych MB, ChB, LLB, DA. (UK), FFARCSI, CCGPT

In attendance:		
Honorary Treasurer:	Mr Graham Warner	MBA, FCA
Medical Director:	Dr Dominique Florin	MA, MB BS, MRCCGP, MD, FFPHM
Executive Assistant:	Mrs Ria Pearson	
Admin Assistant:	Ms Clare Farrow	BA(Hons), AISTD
Board Resignations (AGM 2020)	Prof Robin Touquet,	R.D., FRCEM
Distinguished Fellows	Professor Peter Brunt	CVO, OBE, MD, FRCP, FRCP(Ed), FRCS(Ed)
	Dr Brian Hore (passed away 26th July 2020).	BSc, MB BS, MPhil, FRCP, FRCPsych

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of The Medical Council on Alcohol for the purposes of Company Law) are responsible for preparing the Trustees' Report and 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. Under Company Law, the trustees must not approve the Financial Statement unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- 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 operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board:

Dr Dominique Florin
Medical Director

Date: 23rd June 2021



INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE MEDICAL COUNCIL ON ALCOHOL FOR THE YEAR ENDED 31 MARCH 2021

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 March 2021 which are set out on pages 18 to 34.

Responsibilities and Basis of Report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent Examiner's statement

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities, applicable to charities preparing their accounts in accordance with the Financial reporting standard applicable in the UK (FRS102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached

MARTIN MYERS, FCA CTA
GOLDWYNS Chartered Accountants
109 Baker Street
London
W1U 6RP

A handwritten signature in black ink, appearing to read 'M. Myers', with a long, sweeping horizontal line extending to the right.

Date: 23rd June 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021			2020
		TOTAL	Unrestricted	Restricted	Total
Income		£	£	£	£
From generated funds					
Voluntary Income:					
Donations and Legacy Income	4	17,381	16,000	1,381	1,739
Membership		3,580	0	3,580	3,870
Investment Income	6	17,689	17,689	0	22,026
		<u>38,650</u>	<u>33,689</u>	<u>4,961</u>	<u>27,635</u>
From charitable activities					
Journal		166,233	114,558	51,675	163,760
Symposium		0	0	0	20,687
Publication Sales	5	0	0	0	2,022
Other Incoming Resources:					
Sundry Income		1,640	1,640	0	696
		<u>167,873</u>	<u>116,198</u>	<u>51,675</u>	<u>187,165</u>
Total Income		206,523	149,887	56,636	214,800
Expenditure					
Charitable Activities	7a// 7b	114,469	57,833	56,636	140,011
Governance & Administration	7c	51,046	51,046	0	56,055
Other		667	667	0	633

Total Expenditure		166,182	109,546	56,636	196,699
Net Incoming/(Outgoing) Resources		40,341	40,341	0	18,101
Gains / (Losses) on Investments					
Realised investment gains		1,457	1,457	0	5,309
Change in value of the investment portfolio		183,531	183,531	0	(140,116)
		184,988	184,988	0	(134,807)
Net surplus / (deficit) and Net Movement in Funds for the year		225,329	225,329	0	(116,706)
Reconciliation of Funds					
Total funds Brought Forward		641,841	641,841	0	758,547
Total funds Carried Forward	16	867,170	867,170	0	641,841

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities. The notes on pages 22 to 34 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	31st March 2021	31st March 2020
		£	£
Fixed Assets			
Listed Investments	12	700,739	521,262
Total Fixed Assets		700,739	521,262
Current Assets			
Debtors	13	12,238	89,911
Cash at Bank & in Hand		179,935	58,053
Total Current Assets		192,173	147,964
Liabilities			
Creditors due within 1 year	14	25,742	27,385
Net Current Assets		166,431	120,579
Total Assets less Current Liabilities		867,170	641,841
The funds of the charity			
Unrestricted funds	15	776,274	734,476
Restricted funds		0	0
Revaluation Reserve	15a	90,896	(92,635)
Total Funds		867,170	641,841

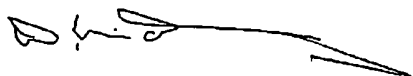
For the year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and under the Charities Act 2011.

Directors' responsibilities:

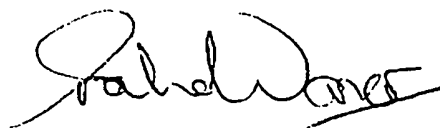
- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Executive Committee on 23 June 2021 and signed on its behalf,

Professor C Drummond,
Chairman, Executive Committee



Mr G Warner, MBA, FCA
Honorary Treasurer



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Effective October 2019) – (Charities SORP (FRS 102)) and the Companies Act 2006.

The MCA meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Income

Income is accounted for gross (excluding Value Added Tax where applicable) when receivable, as long as it is capable of financial measurement. This includes donations, subscriptions, income from publications and investment income. Income received in advance of a specific event is deferred until the criteria for income measurement are met.

c) Interest Receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

d) Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the MCA's work or for specific projects being undertaken by the charity.

e) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably

All expenditure is accounted for gross or net of value added tax where applicable, and when incurred. Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the term of the lease.

f) Allocation of Support Costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Seventy five percent of staff costs, rent/service charge, rates, insurance, and office expenses have been allocated to the charitable activities listed in note 7b.

g) Operating Leases

The charity leases its premises from the Royal College of Physicians. The lease is renewed periodically. The current lease expired on 31st December 2019 and the MCA is in discussions with the RCP about future arrangements (see note 17).

h) 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.

i) Debtors

Debtors are recognised initially at fair value. Trade and other debtors are recognised at the amount due on the day they arise. Prepayments are amounts paid in advance and are stated at the actual amount that has been prepaid.

j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and deposits in the bank or similar accounts.

k) Investments

The listed investment portfolio is stated at market value.

l) 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 to the SOFA. Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date.

m) Creditors and Provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event or activities and the amount due to settle the obligation can be measured or estimated reliably.

n) Financial Instruments

The MCA only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Pensions

The Medical Director of the charity receives an employer's contribution to a NHS pension on a monthly basis. The MCA is part of the NEST scheme with employer contributions in line with the government approved percentage. If staff meet the government requirements for a pension, then the MCA pay into either NEST on their behalf or into a private pension scheme at the same rate as the NEST scheme.

p) Going Concern

The Financial Statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these Financial Statements. The budgeted income and expenditure coupled with the level of reserves is considered sufficient for the charity to be able to continue as a going concern.

2. Legal Status of the Charity

The MCA is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

For the purposes of the Companies Act, the persons regarded as Directors and the Board of Directors respectively, are the Members of the Executive Committee.

3. Financial Performance of the Charity

The statement of financial activities shows the overall income and expenditure of the charity.

4. Income from Donations and Legacies

Donations	2020-2021	2019-2020
	£	£
GiftAid	1,149	1,512
Member & Product donations	232	22
Unrestricted Legacies	16,000	0
	17,381	1,739

The income from donations and legacies was £17,381 (2020: £1,739) of which £16,000 was unrestricted (2020: £0) and £1,381 restricted (2020: £1,739).

The MCA benefits greatly from the involvement and enthusiastic support of its many board members, Regional Advisors and volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of these people is not recognised in the accounts.

5. Income from Charitable Activities

	Unrestricted funds 2020-2021	Unrestricted funds 2019-2020
	£	£
Income from Symposium:	0	20,687

Gross income from handbook sales	0	2,022
Total income from charitable activities	0	22,709

6. Investment Income

The MCA's investment income of £17,689 (2020: £22,026) arises from dividends received during the financial period and any interest received on the MCA's bank account.

During the financial period a number of investment holdings were sold resulting in a realised gain of £1,457 (2020 gain: £5,309).

7. Expenditure

7(a) Breakdown of costs by charitable activities (See note 16 for details of Restricted Expenditure):

	Direct Costs	Support	Total
	£	£	£
Journal (inc.Committee)	34,851	5,103	39,954
Member Communication	2,000	20,411	22,411
Education (External Events)	-	15,308	15,308
Education (Publications)	-	5,103	5,103
Education (Other)	-	2,041	2,041
Education (Symposia)	76	23,473	23,549
Education (Competitions)	1,000	5,103	6,103
	37,927	76,542	114,469

7(b) Analysis of costs by financial activity

	TOTAL	5% Journal	20% Member Com	15% Education: External Events	5% Education: Publications	2% Education: Other	23% Education: Symposium	5% Education Comp	25% Governance & Admin
	£	£	£	£	£	£	£	£	£
Staff	81,285	4,064	16,257	12,193	4,064	1,626	18,696	4,064	20,321
Premises	14,080	704	2,816	2,112	704	282	3,238	704	3,520
Other Office	6,691	335	1,338	1,003	335	133	1,539	335	1,673
	102,056	5,103	20,411	15,308	5,103	2,041	23,473	5,103	25,514
	Total	76,542							25,514

7(c) Governance and Administration costs:

	2020-2021	2019-2020
	£	£
Support Costs	25,514	27,529
Professional Fees	19,531	18,336
Executive Committee Costs	-	2,556
Annual General Meeting	-	2,649
Investment Management	4,416	4,900
Funding / Subscriptions	1,585	85
TOTAL	51,046	56,055

8. Net Income/(expenditure) for the year

This is stated after charging:	2020-2021	2019-2020
	£	£
Operating leases	14,080	14,980
Bank interest receivable	(40)	(171)
Accountancy services	7,548	7,563

9. Analysis of staff costs, trustee remuneration and expenses

	2020-2021	2019-2020
	£	£
Wages and Salaries	72,058	71,670
Social Security contributions	2,307	3,296
Pension contributions	6,423	5,880
Staff Travel	496	1,255
Recruitment costs	-	4,608
Total	81,284	86,709
Average number of employees during the year	3	3

No trustees were paid or received any other benefits from employment with the organisation in the year (2020: £nil) other than Professor J Chick who received an Honorarium for his editorship of the Journal which totalled £16,000.

No charity trustee received payment for professional or other services supplied to the charity (2020: £nil). No payments were made to (2020: £1,562 to 14 members) Executive Committee members in reimbursement of travelling expenses incurred in attending meetings. No employees had remuneration and employee benefits in excess of £60,000.

10. Staff Numbers

The MCA employs 3 part time members of staff. It also employs additional part-time staff when necessary, during peak activity times (e.g. Symposium, other events etc).

11. Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12. Fixed Assets – Listed Investments

	2020-2021	2019-2020
	£	£
Cost of investments at start of financial year	586,860	555,179
Additions at cost during the year	57,324	56,072
Disposals during the year	(41,438)	(29,700)
Realised gains on investments during the year	1,457	5,309
<i>Cost of investments at end of financial year</i>	604,203	586,860
Unrealised gains (loss) at year end	90,896	(92,635)
<i>Market Value at end of financial year</i>	695,099	494,225
Cash held pending investment	5,640	27,037

Total	700,739	521,262
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— — — All investments were listed on a recognised stock exchange.

13. Debtors: Amounts Falling Due Within One Year

	2020-2021	2019-2020
	£	£
Prepayments & Accrued Income	12,238	12,880
Trade Debtors	–	77,031
Total	12,238	89,911

14. Creditors: Amounts Falling Due Within One Year

	2020-2021	2019-2020
	£	£
Accruals & Deferred Income	13,764	12,824
Trade Creditors	1,369	2,782
Other Creditors	–	67
VAT payable	10,609	11,712
Total	25,742	27,385

15. Analysis of Net Assets Between Funds

	2020-2021	2019-2020
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	£	£
Unrestricted Funds, Net Current Assets	776,274	734,476
Unrealised (gains) loss on revaluation of investments	90,896	(92,635)
Restricted Funds, Net Current Assets	0	0
Total	867,170	641,841

15a. Movement in Revaluation Reserve

	2020-2021	2019-2020
Brought Forward balance at 1 April	(92,635)	47,481
Net movement for the year	183,531	(140,116)
Balance at 31 March	90,896	(92,635)

16. Movement in Funds

Unrestricted Funds:	2020-2021	2019-2020
	£	£
At 1 April	641,841	758,547
Transfer from restricted funds	0	0
Net Movement in funds for year	225,329	(116,706))
At 31 March	867,170	641,841
Restricted Funds:	2020-2021	2019-2020
	£	£
At 1 April	0	0

Income	56,636	79,993
Expenditure	56,636	79,993
Transfer to unrestricted funds	0	0
At 31 March	0	0

Restricted funds received during the year and their subsequent expenditure was for:

Restricted Funds (in detail)	Amount	Expenditure
<i>GiftAid Donations:</i> Donations by members for members only activities, such as AGM costs	£1,381	Members contribution towards AGM costs (to aid in covering costs)
<i>Membership:</i> The MCA receives yearly subscriptions to pay for member activities	£3,580	AGM costs, newsletter, website and member activity costs
<i>Journal:</i> The MCA receives monthly income from Oxford University Press to contribute to editorial and board expenses	£51,675	Editors' honoraria and board meetings
	£56,636	

17. Operating Lease Commitments

MCA's lease on premises it occupies at the Royal College of Physicians expired on 31 December 2019. A lease for new premises has been provisionally agreed with the College at an approximate annual cost of £19,867 (including service charge). Finalisation and signature of the new lease, as well as the move to the new premises has been deferred as a result of the Covid-19 pandemic. Pending the resolution of these matters, MCA has continued to pay rent and service charges based on the terms of the previous lease.

The combined rent and service charges in respect of leased premises included in these accounts is £14,080 (2020: £14,980).

18. Post Balance Sheet Events

There are no post-balance sheet events to report.

19. Related Parties

Other than the items shown in Note 9 above, there are no related party transactions that require disclosure.