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**REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2004
FOR
THE MEDICAL COUNCIL ON ALCOHOL**



THE MEDICAL COUNCIL ON ALCOHOL
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FOR THE YEAR ENDED 31 MARCH 2004

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THE MEDICAL COUNCIL ON ALCOHOL
REPORT OF THE TRUSTEES AND DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2004

Status

The Medical Council on Alcohol is a Registered Charity (Number 265242) and 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 the year ended 31 March 2004:

President

Sir Kenneth Calman

Vice President

Dr M Evans

Chairman

Professor P W Brunt (appointed 19 November 2003)

Dr E B Ritson (retired 19 November 2003)

Dr J S Madden

Vice Chairman

Executive Committee

Dr I Murray-Lyon

Dr D Fowlie

Dr A Paton (elected November 2003)

Prof A H Ghodse (retired October 2003)

Dr E B Ritson

Dr B D Hore

Dr G H A Tate

Prof P Howdle

Dr A D Thomson

Dr R F Hunt

Prof R Touquet

Dr P Jauhar

Dr J Trowell

Dr J Kemm

Dr S Wiseman

Dr M McCann

Dr R A B Young

Dr R Mayall

In attendance

Dr J Chick

Journal Editor

Secretary

Mr J M Harries

Honorary Treasurer

Dr G E Ratcliffe

Registered Office

Auditors

3 St Andrew's Place

Goldwyns

Regent's Park

Chartered Accountants

London

Registered Auditors

NW1 4LB

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

EC1A 9BD

THE MEDICAL COUNCIL ON ALCOHOL
REPORT OF THE TRUSTEES AND DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2004

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".

Organisation

The Council is governed by the Executive Committee and its subordinate Committees: Financial and General Purposes; 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 256. 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 2004 was £256.

Activities and Financial Review

The Medical Council on Alcohol has continued to develop the activities already listed. In addition to its normal recurring work, the publication of a new Students' Handbook is complete.

The deficit for the year amounted to £14,814 compared with £91,011 in 2003.

The principal reasons for the significant decrease in the deficit were gains of £17,225 (realised and unrealised) compared with prior year losses (realised and unrealised) of £44,460 on the Council's investments and further reductions in administration and running costs.

On the assumption that no further losses are incurred on investments, and that donation income continues at its current level, it is anticipated that further losses of around £25,000 will be incurred in the year 2004/05.

The Journal contributed over one third of overall income. Its surplus for the year before central overheads was £16,600 (last year £20,000).

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 equally between them on a basis reflecting our actual experience.

Reserves Policy

The Council's Reserves were reduced by less than last year, the reasons for which are outlined in the previous section. At 31 March 2004 they stood at approximately £152,000 and in the absence of new sources of donations are likely to fall to approximately £128,500 by 31 March 2005.

The Council's investments are held in listed bonds and equities and are managed with the advice of Brewin Dolphin Securities Limited. The objectives are to produce a reasonable dividend yield and to have easily realisable investments having regard to the likelihood of continuing deficits.

THE MEDICAL COUNCIL ON ALCOHOL

REPORT OF THE TRUSTEES AND DIRECTORS FOR THE YEAR ENDED 31 MARCH 2004

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). The Medical Council on Alcohol Lecture Trust and Alcoholism Lecture Fund had been administered by the Medical Council on Alcohol. The Trust was closed and monies transferred to the MCA in April 2004.

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.

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;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- and
- 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.

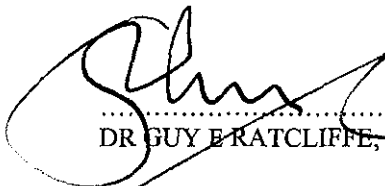
In addition the Directors have concluded that the major risk to the Council is that of a reduction in the already insufficient level of external funding. The Executive is pursuing the possibility of raising donations, both core and project based, to overcome this risk.

Auditors

The auditors, Goldwyns, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board:



.....
DR GUY E RATCLIFFE, SECRETARY

11 October 2004
.....
DATED

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
THE MEDICAL COUNCIL ON ALCOHOL**

We have audited Financial Statements of The Medical Council on Alcohol for the year ended 31 March 2004 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities 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 Director's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Directors' 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 directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Director's Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

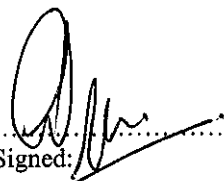
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether or not 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 charitable company's state of affairs as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

GOLDWYNS
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
13 DAVID MEWS
PORTER STREET
LONDON
W1U 6EQ

Signed: 
Date: 18th October 2004

MEDICAL COUNCIL ON ALCOHOL
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2004

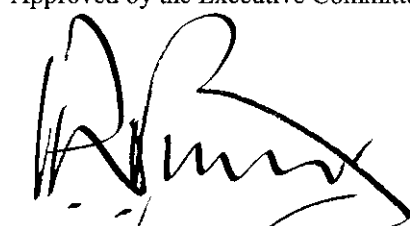
	Notes	2004 £	2003 £
INCOMING RESOURCES			
Unrestricted funds:			
Donations		62,927	57,824
Bank & Building Society deposit Interest		517	1,127
Broker Interest		66	1,034
Investment Income		7,902	8,763
Subscriptions (MCA)		7,357	10,350
Subscriptions (Journal)		3,945	5,199
Income from Journal		58,735	62,694
Income from Educational Material		2,202	1,245
AERC Grant		4,775	14,225
Dept of Health		6,500	0
Income from seminars		5,445	5,000
Sundry income		857	0
TOTAL INCOMING RESOURCES		£161,228	£167,461
RESOURCES EXPENDED			
Unrestricted Direct Charitable Expenditure			
Journal Expenses		50,876	55,717
Newsletter Expenses		8,567	14,610
Educational Seminars		8,909	5,790
Educational Print & Distribution		18,602	21,962
Library and Grant		1,368	1,367
Essay Prizes		1,687	1,722
Public Education, Guidance & Research		25,743	26,446
	3b	115,752	127,614
Other Expenditure			
Management & Administration of Charity		77,515	86,399
TOTAL RESOURCES EXPENDED		£193,267	£214,013
NET OUTGOING RESOURCES			
Net operating deficit for the year		-£32,039	-£46,552
Realised Investment (losses)/gains		-£28,941	£5,494
Deficit for the year		-£60,980	-£41,057
Unrealised surplus on investment revaluation		£46,166	-£49,954
Total recognised deficit in the year		-£14,814	-£91,011
of which taken to:			
Investment Revaluation Reserve		£5,765	£0
Income and Expenditure account		-£20,579	-£91,011

MEDICAL COUNCIL ON ALCOHOL
BALANCE SHEET AS AT 31 MARCH 2004

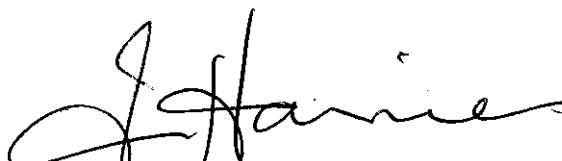
			2004	2003
	Notes	£	£	£
Fixed assets				
Tangible Assets	5		668	1,569
Investments	6		135,753	120,927
			<u>136,421</u>	<u>122,496</u>
Current Assets				
Debtors	7	18,348		6,702
Cash at Bank & in Hand		<u>17,780</u>		<u>47,269</u>
		36,128		53,971
Creditors: Amounts Falling due within one year	8	<u>-20,625</u>		<u>-9,729</u>
Net Current Assets			15,503	44,242
Total Assets less Current Liabilities			<u>£151,924</u>	<u>£166,738</u>
Unrestricted Funds	9			
Surplus Brought Forward		166,738		257,749
Deficit of Income over Expenditure		<u>-20,579</u>		<u>-91,011</u>
			146,159	166,738
Investment Revaluation Reserve			<u>5,765</u>	<u>0</u>
	11		<u>£151,924</u>	<u>£166,738</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Executive Committee on 21 July 2004



Professor P W Brunt CVO OBE MD FRCP
Chairman Executive Committee



John M Harries BSc(Econ) FCA
Honorary Treasurer

THE MEDICAL COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

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 2002) and the Charities Accounting Statement of Recommended Practice (SORP) (issued in October 2000).

- 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 and two thirds of office expenses have been allocated to the seven charitable activities listed in note 3(b). For 2003, the allocation was 59%.
- 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.
- g) **Pensions**
Contributions are paid into an employee's pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities.

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 (2003: nil), except as disclosed in Note 3 below.

THE MEDICAL COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

3. NET OUTGOING RESOURCES

	2004	2003
	£	£
a) The net outgoing resources are stated after charging:		
Depreciation	901	1,290
Auditors' Remuneration: audit:	2,500	2,500
other services:	<u>1,184</u>	<u>1,861</u>

b) Reallocated Expenses:

	Salaries	Telephone	Printing Postage, Stationery Comp.Exp	Total Expenses Reall'd	Direct Expenses	TOTAL
Charitable Activities:						
Journal Expenses	8,364	130	221	8,715	42,161	50,876
Newsletter Expenses	836	130	221	1,187	7,380	8,567
Educational Seminar	3,344	130	221	3,695	5,214	8,909
Educational Printing & Distribution	8,364	130	221	8,715	9,887	18,602
Library and Grant	836	130	221	1,187	181	1,368
Essay Prizes	836	130	221	1,187	500	1,687
Public Education, Guidance & Research	<u>25,092</u>	<u>130</u>	<u>221</u>	<u>25,443</u>	<u>300</u>	<u>25,743</u>
TOTALS:	<u>47,672</u>	<u>910</u>	<u>1,547</u>	<u>50,129</u>	<u>65,623</u>	<u>£115,752</u>

[See Note 1(c) above: "57% of staff costs allocated"]

- (c) Payments totalling £4,926 were made to 13 Executive Committee members in reimbursement of expenses incurred in attending meetings. These were £4,075 in respect of travelling and £851 in respect of subsistence and accommodation.

4. STAFF COSTS

	2004	2003
	£	£
Wages and Salaries	83,955	91,054
Pension contributions	6,890	5,830
Social Security Costs	<u>7,765</u>	<u>8,017</u>
(incl. Journal and in 2003 the honorarium of the the Journal Editor previously charged to the Lecture Trust)	<u>£98,610</u>	<u>£104,901</u>
Average number of employees	<u>4</u>	<u>5</u>

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

	2004	2003
Secretary	1	1
Administrator and Support	2	2
Journal production	<u>1</u>	<u>2</u>

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

MEDICAL COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

5.	TANGIBLE FIXED ASSETS		Office Equipment
	Cost:		£
	At 1 April 2003		
	and at 31 March 2004		<u>36,986</u>
	Depreciation:		
	At 1 April 2003		35,417
	Charge for the year		<u>901</u>
	At 31st March 2004		<u>36,318</u>
	Net Book Value at 31 March 2004		<u>£668</u>
	Net Book Value at 31 March 2003		<u>£1,569</u>
6.	FIXED ASSETS - LISTED INVESTMENTS		Listed
	At Market Value at 31 March 2004		<u>£135,753</u>
	At Market Value at 31 March 2003		<u>£120,927</u>
	Historical cost of investments held at 31 March 2004		<u>£129,988</u>
	Details of investments representing more than 5%: of total investments at market value are as follows:		£
	Rio Tinto Ord £0.10		9,394
	Merchants Trust Ord £0.25		12,980
	Hanson Ord £2.00		8,360
	Treasury 7 1/2% Stock 2006		21,963
	Threadneedle Investments		9,806
7.	DEBTORS		
	Amounts Falling Due Within One Year:	2004	2003
	Prepayments and Accrued Income	£	£
	Other Debtors	1,464	1,384
		<u>16,884</u>	<u>5,318</u>
		<u>£18,348</u>	<u>£6,702</u>
	CREDITORS:		
	Amounts Falling Due Within One Year:	2004	2003
	Accruals and Deferred Income	£20,625	£9,729
		<u>£20,625</u>	<u>£9,729</u>
9.	FUNDS		
	The Company is limited by guarantee and therefore has no Share Capital. Member guarantors number 256 (2003: 319), 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.		

MEDICAL COUNCIL ON ALCOHOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

10. CONNECTED CHARITIES

The MCA Lecture Trust, and the Alcoholism Lecture Fund were closed in April 2004 and the Charity Commission has confirmed the removal of the MCA Lecture Trust from its register.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Unrestricted funds	2004	2003
	£	£
Tangible fixed assets	668	1,569
Investments	135,753	120,927
Net Current Assets	<u>15,503</u>	<u>44,242</u>
	<u>£151,924</u>	<u>£166,738</u>

12. OPERATING LEASE COMMITMENTS

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

	2004	2003
Expiring:	£	£
Within 2-5 years (disputed: until May 2005)	610	610
Over 5 years	<u>8,000</u>	<u>8,000</u>

MEDICAL COUNCIL ON ALCOHOL

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2004

	Notes	£	2004 £	£	2003 £
INCOME					
Donations			62,427		56,824
Bank & Building Society Interest			517		1,127
Broker Interest			66		1,034
Investment Income			7,902		8,763
Subscriptions (MCA)			7,357		10,350
Subscriptions (Journal)			3,945		5,199
Sundry			857		0
Realised (loss)/gain on sale of investment			-28,941		5,494
Unrealised gain/(loss) on value of investments			<u>46,166</u>		<u>-49,954</u>
			<u>100,296</u>		<u>38,837</u>
EXPENDITURE					
Administration Expenses					
Salaries & National Insurance	4	83,346		85,232	
<i>(exc. Journal staff) Incl consultants</i>					
Rent, rates & service Charge		<u>18,996</u>	102,342	<u>18,099</u>	103,331
General Expenses					
Telephone		1,375		1,632	
Postage, Stationery (Office Printing etc)		1,682		1,740	
Travelling & Conferences		357		368	
Audit & Accountancy		3,684		4,361	
Legal & Professional		2,018		-298	
Fundraising		297		11,181	
Sundry Expenses		938		504	
Maintenance & Repairs		293		601	
Insurance		1,099		1,202	
Depreciation	5	901		1,290	
Computer expenses		660		526	
Bank Charges & Currency losses		420		256	
Subscriptions to other organisations		<u>374</u>		<u>411</u>	
			14,098		23,774
<i>Carried Forward</i>			<u>116,440</u>		<u>127,105</u>

MEDICAL COUNCIL ON ALCOHOL

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR YEAR ENDED 31 MARCH 2004

	Notes	£	£	2,004 £	2,003 £
<i>Brought Forward</i>				116,440	127,105
Journal & Newsletter Expenses					
Income from Journal		-58,735		-62,694	
Costs of production:					
Journal <i>Alcohol & Alcoholism</i>		42,161		42,559	
Newsletter <i>Alcoholism</i>		<u>7,380</u>	-9,194	<u>13,388</u>	-6,748
Education & Seminar Expenses					
Research Expenses		0		85	
Educational Seminars		5,214		2,778	
Less: Sponsorship donations		<u>-5,445</u>	-231	<u>-5,000</u>	-2,137
Educational Printing & Distribution		9,887		14,773	
Less Income: Sale of Handbooks		-964		-500	
AERC Grant		-4,775		-14,225	
Department of Health		-6,500			
Towards Distribution		<u>-1,238</u>	-3,590	<u>-745</u>	-697
Website		300		500	
Library		181		145	
Essay Prizes		500		500	
Less: donation from Frowen Foundation		<u>-500</u>	481	<u>-1,000</u>	145
Total Education expenses				-3,340	-2,689
Committee Expenses					
Travel & Meetings		7,241		8,019	
Cost of Annual General Meeting		3,060		2,779	
Cost of Annual Report		<u>903</u>	11,204	<u>1,382</u>	12,180
TOTAL EXPENDITURE				<u>115,110</u>	<u>129,848</u>
EXCESS OF EXPENDITURE OVER INCOME				<u>-£ 14,814</u>	<u>-£ 91,011</u>