

MACINTYRE

A company limited by guarantee registered in England No. 894054, registered charity No. 250840. Registered Office:

MacIntyre
2 Ridgeway Court
Gravebury Road
Leighton Buzzard
Bedfordshire LU7 8SW

REPORT OF THE GOVERNORS

Year ended 31st December 1988

MEMBERS OF THE BOARD

The following were governors of the company during the year:

D. Berriman	Chairman
T. Crosby	Vice-Chairman
His Honour Judge J.S.R. Abdela TD. QC.	
Mrs. B. Carpenter JP	
R. Cox-Johnson	
Countess N. Mapelli-Mozzi	
Mrs. R. Smith	(Appointed 28th June 1988)
M.D. Tidball	(Appointed 28th June 1988)

The governors are members of the company under paragraph 6 of the Memorandum of Association dated 15th December 1966. All members are liable to contribute up to £5 each towards the debts of the company in the event of its being wound up.

The governors retire by rotation at the Annual General Meeting in accordance with paragraphs 37 and 38 of the Articles of Association. At the Annual General Meeting held in March 1988, Mr. R. Cox-Johnson and Mr. T. Crosby retired by rotation and were re-elected, and Mrs. B. Carpenter JP was elected following her appointment to the Board during 1987.

In 1989 Mr David Berriman and His Honour Judge Abdela TD QC retire by rotation. Mr David Berriman, being eligible, offers himself for re-election. Judge Abdela has indicated his intention not to seek re-election and the governors wish to record their appreciation of his services to MacIntyre as a governor.

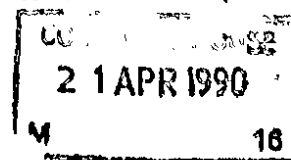
Mrs. R. Smith and Mr. M.D. Tidball, being eligible, offer themselves for election following their appointment to the Board during 1988.

ACTIVITIES

The main activity of the company continues to be the establishment of residential and day care services for mentally handicapped children and adults, the formation and running of schools, training and workplaces, group homes and houses, and the collection of funds for this purpose. For the furtherance of its objectives the company seeks to work with The MacIntyre Housing Association Limited and MacIntyre Marketing Limited.

AFFILIATIONS

The company is a founder member of the Association of Residential Communities and is a member of the International League of Societies for Mental Handicap, The Industrial Society, The VAT Reform Group, The Voluntary Movement Group and The National Council for Voluntary Organisations.



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PROJECTS AND DEVELOPMENTS

The company has eight operational centres providing a range of resources sufficiently varied and specific to help over 200 handicapped persons whatever their individual needs might be.

MacIntyre Westoning, Bedfordshire, accommodates 75 adult residents aged 18-68 years who have moderate to severe learning difficulties. It has a community campus of eight houses and two other houses in Westoning Village. The Company plans to increase the therapy, social and special needs facilities on site and to occupy further houses in the neighbourhood.

MacIntyre Wingrave, Buckinghamshire, is an independent special school approved by the Secretary of State for Education for 43 children aged 6-19 years who have moderate to severe learning difficulties. Those over 16 years share a 4 bed flat or 5 bed house. The company plans to provide domestic scale houses for the younger children and to increase the therapy and integrated leisure facilities on site at a cost in excess of £1 million.

MacIntyre Womaston, Powys, is a residential education and child development unit for 18 children aged 10-19 years who have very severe learning difficulties combined with complex social and emotional problems. The company plans to re-accommodate the children in small houses on and off-site, and to build a specialised behavioural unit for four additional children currently isolated in hospitals, and to provide increased leisure facilities for integrational activities at an estimated cost of £500,000.

MacIntyre Shipton, Oxfordshire, is a therapeutic staffed group home for 9 adults aged 20-38 years who have severe learning difficulties, some severe physical handicaps, and some behavioural problems. The company plans to provide a satellite house for occupation by three residents at an estimated cost of £150,000. In 1989 the company will receive the last three year grant from the Department of Social Security which has enabled MacIntyre to develop a project self-monitoring scheme.

MacIntyre Flackwell Heath, Buckinghamshire, is a therapeutic staffed group home for 7 adults who have moved from longstay hospital back to their originating locality around High Wycombe. This project has been developed in partnership with Buckinghamshire Social Services and Aylesbury Vale Health Authority at a cost to the company of £15,000.

MacIntyre Mottingham, South East London, is a five acre garden centre and natural ecology area which will provide horticultural therapy, training and productive occupation for 15 adults who have moderate learning difficulties, physical disabilities and emotional problems. A lease on the Crown land is being arranged. During the past three years of development the labour has been largely funded through the Manpower Services Commission and Department of Social Security, and currently MacIntyre is managing an Employment Training Scheme for local handicapped people. The project commenced marketing activities in May 1988 and has had a successful year. The development will be completed during 1989 at an estimated cost of £100,000.

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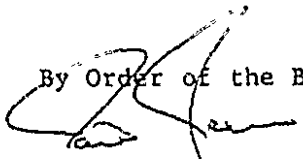
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STATE OF AFFAIRS (CONTINUED)

During the year charitable money received amounted to £701,043 and the company expended £957,357 in respect of fixed assets, start-up costs, fund-raising and publicity. The short fall of around £250,000 was covered temporarily by borrowings. We are greatly indebted to the many people and charitable trusts who support our work by donations, grants, gifts-in-kind or voluntary help. The company is also grateful for the support given from time to time to selected residents by The MacIntyre Foundation, a charity that uses the income from the funds it is given or lent to assist individual handicapped people in need including those in our care.

We are fortunate to have the support of our Vice-Presidents and the members of our Development Council who are people of influence and who promote and assist MacIntyre in many ways. We have always appreciated the ongoing interest of the Royal Family in our affairs. During 1988 we were honoured by a visit to MacIntyre Milton Keynes by Her Royal Highness The Princess Royal and by the presence of Her Royal Highness The Duchess of Gloucester at our Mansion House Luncheon.

By Order of the Board


D Berriman
Chairman

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BALANCE SHEET

31st December 1988

		1988	1987
	NOTES	£	£
FIXED ASSETS			
TANGIBLE ASSETS			
	1		
Freehold property		2,500,752	2,126,834
Leasehold improvements		247,439	230,050
Furniture and equipment		520,477	300,571
		<u>3,268,668</u>	<u>2,657,455</u>
INVESTMENT IN SUBSIDIARY	2	1	1
		<u>3,268,669</u>	<u>2,657,456</u>
CURRENT ASSETS			
Debtors		276,730	351,311
Prepayments		84,641	51,920
Cash in hand		2,050	1,600
Cash at bank		39,107	14,935
		<u>402,528</u>	<u>419,766</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank loans and overdrafts	3	590,062	502,312
Creditors		165,212	137,390
Taxation and social security		60,739	49,226
Fees received in advance		106,351	-
Accrued expenses		24,716	13,773
		<u>947,080</u>	<u>702,701</u>
Net current liabilities		(544,552)	(282,935)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,724,117</u>	<u>2,374,521</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	5		
Secured advances		105,500	105,500
Less: Premium on policy		21,845	18,804
		<u>83,655</u>	<u>86,696</u>
Loan		20,000	30,000
		<u>103,655</u>	<u>116,696</u>
		<u>£2,620,462</u>	<u>£2,257,825</u>
RESERVES			
Restricted funds	10	971,839	575,842
General reserve		1,648,623	1,681,983
		<u>£2,620,462</u>	<u>£2,257,825</u>

These accounts were approved by the Board on 23rd February 1989.

David Berriman

Theo Crosby

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REVENUE ACCOUNT

Year ended 31st December 1988

		1988	1987
	NOTES	£	£
BOARD FEE INCOME	6	2,817,911	2,262,626
DOMESTIC AND ADMINISTRATION EXPENSES		2,733,005	2,201,931
		<u>84,906</u>	<u>60,695</u>
INTEREST RECEIVABLE		2,283	1,243
INTEREST PAYABLE		<u>79,451</u>	<u>56,476</u>
		77,168	(55,233)
		<u>7,738</u>	<u>5,462</u>
OTHER INCOME			
Donations and grants	6	<u>701,043</u>	<u>611,606</u>
Related expenses:			
Direct event expenses		18,352	15,258
Information, research and advice		75,120	82,447
Other fund raising costs		<u>50,079</u>	<u>54,498</u>
		<u>143,551</u>	<u>152,203</u>
		557,492	459,403
Less: Donations to operating expenses		<u>53,154</u>	<u>20,512</u>
		<u>504,338</u>	<u>438,891</u>
		512,076	444,353
OTHER EXPENSES:			
New project start-up costs		<u>149,439</u>	<u>46,355</u>
SURPLUS FOR THE YEAR	7	362,637	397,998
Provision for loss in subsidiary company		<u>-</u>	<u>1,626</u>
		362,637	396,372
TRANSFER TO RESTRICTED FUNDS	10	(395,997)	(361,440)
		<u>(33,360)</u>	<u>34,932</u>
GENERAL RESERVE BROUGHT FORWARD		<u>1,681,983</u>	<u>1,647,051</u>
GENERAL RESERVE CARRIED FORWARD		<u>£1,648,623</u>	<u>£1,681,983</u>

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Year ended 31st December 1988

ACCOUNTING POLICIES

a) ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention.

b) RESERVES AND FUNDS

All donations and grants which are received subject to specific conditions imposed by the donor are transferred to Restricted Funds and shown as such on the Balance Sheet. Such donations which are unsolicited are allocated in their entirety to the appropriate specific project but other such donations and grants are transferred to Restricted Funds after deducting an estimate of related fundraising costs.

Many donations and grants are received as a contribution to specific capital expenditure. On completion of the project for which such a donation or grant is received the amount of that donation or grant is transferred from Restricted Funds to General Reserve. The great majority of other donations and grants are also used for capital projects and are included directly in General Reserve.

The majority of the accumulated General Reserve, therefore, consists of donations and grants received in earlier years and spent on capital projects. It is not, therefore, available for unrestricted use.

c) CAPITAL EXPENDITURE

Freehold and leasehold properties are principally residential. The original costs and major improvements are capitalised. The governors ensure that the properties are maintained in a continual state of sound repair with the cost thereof being charged to income.

Furniture and equipment, including motor vehicles, initially acquired in each establishment is capitalised. Renewals and replacements of such furniture and equipment are written off to revenue in the year in which such expenditure is incurred.

In view of the above, depreciation is not provided on freehold or leasehold property or furniture, equipment and vehicles. The company has not therefore complied with Statement of Standard Accounting Practice No.12.

d) NEW PROJECT START-UP COSTS

These costs, other than those directly related to property development and improvement, are written off to Revenue in the year in which the expenditure is incurred. Those costs directly related to property development and improvement are added to the cost of properties.

e) DONATIONS

Donations and grants are credited to Revenue when they are received.

Items of furniture, equipment and motor vehicles donated to the company are valued by the governors at estimated market value and included in the Revenue Account as donations received. This value is either capitalised or written off in accordance with the accounting policies set out above.

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NOTES TO THE ACCOUNTS

Year ended 31st December 1988

1. TANGIBLE ASSETS

	Freehold Property £	Short Leasehold Improvements £	Furniture and Equipment £	Total £
Cost				
At 1st January 1988	2,126,834	230,050	300,571	2,657,455
Additions	373,918	17,389	219,906	611,213
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1988	2,500,752	247,439	520,477	3,268,668
	<hr/>	<hr/>	<hr/>	<hr/>

Included in freehold property is £786,234 relating to a new project at Milton Keynes. The company will not get full title to the land until the development is complete.

2. INVESTMENT IN SUBSIDIARY

The company is the beneficial owner of 100% of the issued ordinary share capital of MacIntyre Marketing limited, a company incorporated in England. The cost of these shares at their par value was £100.

The objects of the company were to sell items purchased and those produced by residents and to donate the profit to MacIntyre. The company has remained dormant for 1988.

3. BANK LOANS AND OVERDRAFTS

Included in bank overdrafts is £363,478 (1987 £373,246) secured on one of the company's freehold properties.

4. TAXATION

The company is registered as a charity and is therefore not liable to Corporation Tax or Income Tax.

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Secured advances

£30,000 is repayable in 1996 by a life assurance policy which matures on 9th September 1996. Interest is payable at 10% per annum.

£21,500 is repayable in 2007 by a life assurance policy which matures on 5th July 2007. Interest is payable at 12½% per annum.

£54,000 is repayable in 2011 by a life assurance policy which matures on 23rd December 2011. Interest is payable at 10.25% per annum.

The advances are secured on the company's properties.

Loan

The interest-free loan of £30,000, (1987 £40,000) is repayable in annual instalments of £10,000. The third instalment is due in December 1989. £10,000 is included in creditors due within one year.

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NOTES TO THE ACCOUNTS (CONTINUED)

Year ended 31st December 1988

6. INCOME

Income for the year represents fees for residential care invoiced to local authorities within the United Kingdom and to the Department of Health and Social Security.

Donations received are shown separately.

An analysis of income by type is given below:

	1988 £	1987 £
Sponsors	2,764,757	2,242,114
Donations contributed to expenses	53,154	20,512
	<u>2,817,911</u>	<u>£2,262,626</u>
Board fee income	<u>£2,817,911</u>	<u>£2,262,626</u>
Donations and grants	<u>£ 701,043</u>	<u>£ 611,606</u>

7. OPERATING SURPLUS

1988	1987
£	£

Operating surplus is stated after charging:

Domestic and administration expenses:

Auditors' remuneration	5,500	5,500
Leasing of equipment and vehicles	111,130	115,817
Other expenses	2,616,375	2,080,614
	<u>£2,733,005</u>	<u>£2,201,931</u>

Interest payable:

Bank overdraft and loans	69,277	44,096
Loans repayable after five years	10,174	12,380
	<u>£79,451</u>	<u>£56,476</u>

8. EMPLOYEES

1988	1987
No.	No.

The average weekly number of employees during the year was made up as follows:

Office and management	37	28
Teaching, care and maintenance	211	189
	<u>248</u>	<u>217</u>

1988	1987
£	£

Staff costs during the year amounted to:

Wages and salaries	1,915,500	1,526,478
Social security costs	158,421	138,570
Other pension costs	15,681	15,784
	<u>£2,089,602</u>	<u>£1,680,832</u>

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NOTES TO THE ACCOUNTS (CONTINUED)
Year ended 31st December 1988

9. CAPITAL COMMITMENTS	1988 £	1987 £
Authorised and contracted	<u>£ 82,865</u>	<u>£244,378</u>
Authorised subject to availability of funds but not contracted	<u>£706,000</u>	<u>£ 90,000</u>

No provision has been made in the financial statements for capital commitments.

10. RESTRICTED FUNDS	1988 £	1987 £
Balance at 1st January 1988	575,842	<u>214,402</u>
Movement in the year:		
Donations and grants received	471,565	431,211
Less: Related expenses (10%)	<u>47,156</u>	<u>43,121</u>
	424,409	388,090
Amounts transferred to General Reserve on completion of related projects	<u>28,412</u>	<u>26,650</u>
	<u>395,997</u>	<u>361,440</u>
Balance at 31st December 1988	<u>£971,839</u>	<u>£575,842</u>

The accounting treatment of Restricted Funds is explained above in Accounting Policies.

11. OPERATING LEASE COMMITMENTS

At 31st December 1988 the company had the following annual commitments under non-cancellable operating leases.

	1988 £	1987 £
Operating leases which expire:		
Within one year	31,195	17,588
Within two to five years	<u>96,221</u>	<u>90,076</u>
	<u>£127,416</u>	<u>£107,664</u>

None of the operating leases relate to the hire of land and buildings.

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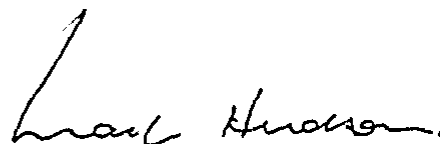
STATEMENT OF SOURCE AND APPLICATION OF LIQUID FUNDS
Year ended 31st December 1988

	1988	1987
	£	£
SOURCE		
TOTAL GENERATED FROM OPERATIONS	362,637	396,372
FUNDS FROM OTHER SOURCES		
Mortgage	-	54,000
	<u>362,637</u>	<u>450,372</u>
APPLICATION OF FUNDS		
Expenditure on fixed assets	611,213	512,121
Premiums paid on endowment policy	3,041	4,434
Loan repaid	10,000	10,000
	<u>624,254</u>	<u>526,555</u>
	<u>£(261,617)</u>	<u>£(76,183)</u>
REPRESENTED BY THE FOLLOWING (DECREASE) IN WORKING CAPITAL		
Debtors and prepaid expenses (Decrease)	(41,860)	143,462
Fees received in advance (Increase)	(106,351)	46,693
Creditors and accrued charges (Increase)	(50,278)	(53,850)
	<u>(198,489)</u>	<u>136,305</u>
Movement of net liquid funds:		
Bank and cash balances (Decrease)	(63,128)	(212,488)
	<u>£(261,617)</u>	<u>£(76,183)</u>

AUDITORS' REPORT TO THE MEMBERS OF MACINTYRE
A company limited by guarantee.

We have audited the financial statements on pages 5 to 11 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1988 and of the results and source and application of liquid funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'MacIntyre Hudson', with a long horizontal stroke extending to the right.

MacIntyre Hudson

Bedford

23rd February 1989

Chartered Accountants

REVENUE ACCOUNT

Year ended 31st December 1988

	1988	1987
	£	£
BOARD FEE INCOME		
Sponsors	2,764,757	2,242,114
Consumables and operating expenses specifically donated	53,154	20,512
	<u>2,817,911</u>	<u>2,262,626</u>
OPERATING EXPENSES		
Salaries	2,047,404	1,631,233
Catering	125,493	103,280
Rates	22,880	21,656
Heat and light	82,354	71,410
Leasing	152,719	125,565
Transport and travel	52,225	46,922
Telephone, postage and stationery	44,657	33,533
Insurance	30,662	22,739
Replacement of consumables	29,647	34,548
Repairs and renewals	81,734	71,832
Farm and garden	34,409	26,543
Recreation	15,187	12,776
Education and training	20,882	22,467
Staff training	22,165	12,576
Specialist fees	36,924	31,038
Bank interest on operating accounts	35,300	25,616
	<u>2,834,642</u>	<u>2,293,734</u>
Less Revenue received		
Staff charges	40,960	39,674
Farm sales	23,117	20,177
Craft and catering sales	2,260	6,336
	<u>66,337</u>	<u>66,187</u>
	2,768,305	2,227,547
OPERATING SURPLUS FOR THE YEAR BEFORE THE FOLLOWING EXPENSES	49,606	35,079
Mortgage interest	10,174	12,380
Bank interest on capital accounts	31,694	17,237
	<u>41,868</u>	<u>29,617</u>
OPERATING SURPLUS FOR THE YEAR	7,738	5,462
FUND RAISING AND PUBLICITY DEPARTMENT		
Donations, grants and loan	<u>701,043</u>	<u>611,606</u>
Expenses		
Direct event expenses	18,352	15,258
Information, research and advice	75,120	82,447
Other fund raising costs	50,079	54,498
	<u>143,551</u>	<u>152,203</u>
	557,492	459,403
Donations to operating expenses	<u>53,154</u>	<u>20,512</u>
	504,338	438,891
	<u>512,076</u>	<u>444,353</u>
NEW PROJECT START-UP COSTS	149,439	46,355
SURPLUS FOR THE YEAR	<u>£362,637</u>	<u>£397,998</u>

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FUND RAISING AND PUBLICITY DEPARTMENT EXPENDITURE

Year ended 31st December 1988

	1988 £	1987 £
Salaries	42,198	49,599
Rates	1,003	1,040
Heat and light	413	695
Transport and travel	8,310	6,042
Telephone, postage and stationery	9,082	16,451
Insurance	1,776	1,278
Repairs and renewals	1,074	639
Staff training	2,494	590
Specialist fees	1,229	1,994
Rentals and leasing	23,536	20,499
Information literature	32,345	36,317
Subsistence	1,739	1,801
	<u>£125,199</u>	<u>£136,945</u>
Information, research and advice	75,120	82,447
Other fund raising costs	50,079	54,498
	<u>£125,199</u>	<u>£136,945</u>