

MACINTYRE
A company limited by guarantee.

REPORT OF THE BOARD OF GOVERNORS
Year ended 31st December 1987

894054

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	(Appointed 10th July 1987)
R. Cox-Johnson	
Countess A. Mapelli-Mozzi	
G.H. Neal	(Resigned 17th December 1987)

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

ACTIVITIES

The main activity of the company continues to be the establishment of residential and day care provision for mentally handicapped children and adults, the formation and running of schools, communities and houses, and the collection of funds for this purpose. The Old Manor House at Wingrave now accommodates 44 children and young people, Westoning Manor provides for 83 adults, Tall Trees at Shipton has 10 young adults, and Womaston House in Powys provides for 15 children.

DEVELOPMENTS

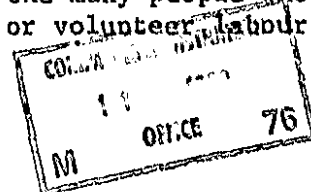
At Mottingham Lane in South East London we have continued to develop 5 acres of Crown Land on which a lease is being arranged. The labour has been funded through the Manpower Services Commission and Department of Health and Social Security, and we have provided the materials and equipment for a project which is recognised as one of the most successful Manpower Services Commission schemes in London. The severe October winds caused extensive damage and delayed work on the retail greenhouse, but we expect trading to commence early in 1988.

In February we commenced a major development at Great Holm in Milton Keynes which we expect to complete in 1990. We have entered into a 52 weeks contract for £502,000 to build the first phase of the development. In conjunction with the Habinteg Housing Association the development of the second phase started in April at a contracted cost of £735,000. Additionally, start-up, greenhouses and equipment costs for the two phases are expected to be £301,000. A grant from the Housing Corporation of £945,000 will finance phase two. At the time of writing the contracts on these phases are running 8 weeks late.

At Womaston we have renovated the Coach House and made slight alterations to the childrens flats, which will enable us to carry out intervention programmes with four specific groups. Our occupancy level will rise to 18 during 1988.

At Tall Trees, Wingrave and Westoning there has been limited expenditure of capital by payment of retention moneys and minor works.

All the development costs and start-up costs for these projects will be met from our capital funds, and we are indebted to the many people who support our work by donation, grants, gift-in-kind or volunteer labour.



MACINTYRE

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REPORT OF THE BOARD OF GOVERNORS (CONTINUED)

Year ended 31st December 1987

DEVELOPMENTS (CONTINUED)

Several local authorities and health authorities have sought partnership with us during the year, in the planning and management of innovative resources for handicapped people. In association with Buckinghamshire Social Services we have planned to build and manage a 7 bed therapeutic group home which will be built in 1988 financed largely by government money. Similar plans are being made with Mid Essex Health Authority, Bedfordshire Social Services and Merseyside Regional Health Authority. This is a reflection on the professional standing of our multi-disciplinary staff, who have been called upon to give advice and counsel to many families of the handicapped, to the statutory bodies, and to other agencies concerned with handicapped people.

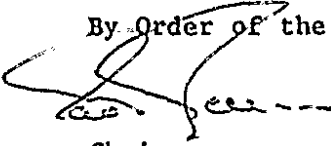
STATE OF AFFAIRS

The financial results for the year are set out in the accounts which follow. These show a satisfactory financial position. By far the greatest part of the board fee income is from Local Authority or Department of Health and Social Security payments in support of residents. During the year the company suffered from substantial and unexpected increases in operating costs mainly exceptional salary increases, loss on occupancy levels, emergency repairs, and bank interest. Supplementary fees totalling £105,000 have been charged in 1988 but brought into the 1987 accounts to cover this deficit. The resulting Revenue surplus is £5,462 (1986 deficit £38,494) before taking into account donation income.

Ridgeway Court,
Grovebury Road,
Leighton Buzzard,
Bedfordshire.

23rd February 1988

By Order of the Board



Chairman

MACINTYRE
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BALANCE SHEET
31st December 1987

	NOTES	£	1987 £	1986 £
FIXED ASSETS				
TANGIBLE ASSETS				
	1			
Freehold property			2,126,834	1,738,388
Leasehold Improvements			230,050	167,810
Furniture and equipment			300,571	239,136
			<u>2,657,455</u>	<u>2,145,334</u>
INVESTMENT IN SUBSIDIARY	2		1	100
			<u>2,657,456</u>	<u>2,145,434</u>
CURRENT ASSETS				
Debtors		351,311		200,236
Due from subsidiary		-		3,207
Prepayments		51,920		56,326
Cash in hand		1,600		1,500
Cash at bank		14,935		13,174
		<u>419,766</u>		<u>274,443</u>
CREDITORS:AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank overdrafts	3	502,312		288,062
Creditors		137,390		95,222
Taxation and social security		49,226		36,630
Fees received in advance		-		46,693
Accruals		13,773		14,687
		<u>702,701</u>		<u>481,294</u>
Net current liabilities			(282,935)	(206,851)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,374,521</u>	<u>1,938,583</u>
CREDITORS:AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
	5			
Secured advances		105,500		51,500
Less: premium on policy		18,804		14,370
		<u>86,696</u>		<u>37,130</u>
Loan		30,000		40,000
		<u>116,696</u>		<u>77,130</u>
			<u>£2,257,825</u>	<u>£1,861,453</u>
RESERVES				
Restricted funds	10		575,842	214,402
General reserve			1,681,983	1,647,051
			<u>£2,257,825</u>	<u>£1,861,453</u>

These accounts were approved by the Board on 23rd February 1988

Mr. D. Berriman

Countess A. Mapelli-Mozzi

MACINTYRE

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REVENUE ACCOUNT

Year ended 31st December 1987

		1987	1986
	NOTES	£	£
BOARD FEE INCOME	6	2,262,626	1,696,905
DOMESTIC AND ADMINISTRATION EXPENSES		2,201,931	1,707,864
		<u>60,695</u>	<u>(10,959)</u>
INTEREST RECEIVABLE		1,243	4,555
INTEREST PAYABLE		<u>56,476</u>	<u>32,090</u>
		<u>(55,233)</u>	<u>(27,535)</u>
		<u>5,462</u>	<u>(38,494)</u>
OTHER INCOME			
Donations, grants and loan	6	611,606	555,874
Less: Provision for loan repayment		<u>-</u>	<u>50,000</u>
		<u>611,606</u>	<u>505,874</u>
Related expenses:			
Direct event expenses		15,258	15,450
Information, research and advice		82,447	57,598
Other fund raising costs		<u>54,498</u>	<u>66,068</u>
		<u>152,203</u>	<u>139,116</u>
		<u>459,403</u>	<u>366,758</u>
Less: Contribution to board fee income		<u>-</u>	<u>16,308</u>
Donations to operating expenses		<u>20,512</u>	<u>-</u>
		<u>438,891</u>	<u>350,450</u>
		<u>444,353</u>	<u>311,956</u>
OTHER EXPENSES:			
New project start up costs		<u>46,355</u>	<u>52,001</u>
OPERATING SURPLUS ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR	7	397,998	259,955
Provision for loss in subsidiary company		<u>1,626</u>	<u>-</u>
		<u>396,372</u>	<u>259,955</u>
TRANSFER TO/RESTRICTED FUNDS	10	(361,440)	(89,024)
		<u>34,932</u>	<u>170,931</u>
GENERAL RESERVE BROUGHT FORWARD AS PREVIOUSLY STATED		1,647,051	1,508,894
PRIOR YEAR ADJUSTMENT		<u>-</u>	<u>32,774</u>
GENERAL RESERVE BROUGHT FORWARD AS RESTATED		<u>1,647,051</u>	<u>1,476,120</u>
GENERAL RESERVE CARRIED FORWARD		<u>£1,681,983</u>	<u>£1,647,051</u>

A company limited by guarantee.

Year ended 31st December 1987

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, after deducting an estimate of related fundraising costs, to Restricted Funds and shown as such on the Balance Sheet. 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. However certain donations received early in January 1988, in the opinion of the governors relate to 1987. The effect of this on 1987 is explained in note 6.

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.

MACINTYRE

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NOTES TO THE ACCOUNTS

Year ended 31st December 1987

1. TANGIBLE ASSETS	Freehold Property	Short Leasehold Improvements	Furniture and Equipment	Total
Cost	£	£	£	£
At 1st January 1987	1,738,388	167,810	239,136	2,145,334
Additions	<u>388,446</u>	<u>62,240</u>	<u>61,435</u>	<u>512,121</u>
At 31st December 1987	<u>2,126,834</u>	<u>230,050</u>	<u>300,571</u>	<u>2,657,455</u>

Included in freehold property is £437,816 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 are to sell items purchased and those produced by residents and to donate the profit to MacIntyre. The company ceased trading in the year and the investment in the subsidiary has been written down to £1. Consolidated accounts have not been prepared as the activities of the companies are dissimilar.

3. BANK OVERDRAFTS

Included in bank overdrafts is £373,246 (1986 £109,291) 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.

MACINTYRE

A company limited by guarantee.

NOTES TO THE ACCOUNTS (CONTINUED)

Year ended 31st December 1987

5. CREDITORS: AMOUNT, 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 £40,000, (1986 £50,000) is repayable in annual instalments of £10,000. The second instalment is due in December 1988. £10,000 is included in creditors due within one year.

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. Included in Board Fee income for the year is £105,000 additional fees charged in January 1988 in respect of the deficit which would otherwise have arisen for 1987.

Donations received are shown separately

An analysis of income by type is given below:

	1987	1986
Sponsors	2,242,114	1,696,905
Donations contributed to expenses	20,512	-
Board fee income	<u>£2,262,626</u>	<u>£1,696,905</u>
Donations	<u>£ 611,606</u>	<u>£ 555,874</u>

Two donations totalling £60,000 promised in December 1987 and received in January 1988 have been included in the accounts. The donations were part of the donors' 1987 allocation.

7. OPERATING SURPLUS ON ORDINARY ACTIVITIES

	1987 £	1986 £
Operating surplus is stated after charging:		
Domestic and administration expenses:		
Auditors' remuneration	5,500	4,500
Leasing of equipment and vehicles	115,817	63,321
Other expenses	2,080,614	1,640,043
	<u>£2,201,931</u>	<u>£1,707,864</u>
Interest payable:		
Bank overdraft and loans	44,096	26,563
Loans repayable after five years	12,380	5,527
	<u>£56,476</u>	<u>£32,090</u>

MACINTYRE

A company limited by guarantee.

NOTES TO THE ACCOUNTS (CONTINUED)
Year ended 31st December 1987

8. EMPLOYEES

	1987 No.	1986 No.
The average weekly number of employees during the year was made up as follows:		
Office and management	28	22
Teaching, care and maintenance	189	188
	<u>217</u>	<u>210</u>

	1987 £	1986 £
Staff costs during the year amounted to:		
Wages and salaries	1,526,478	1,150,416
Social security costs	138,570	104,867
Other pension costs	15,784	12,085
	<u>£1,680,832</u>	<u>£1,267,368</u>

9. CAPITAL COMMITMENTS

	1987	1986
Authorised and contracted	<u>£244,378</u>	<u>£ 83,752</u>
Authorised but not contracted	<u>£ 90,000</u>	<u>£527,000</u>

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

10. RESTRICTED FUNDS

	1987 £	1986 £
Balance at 1st January 1987	214,402	<u>125,378</u>
Movement in the year:		
Donations and grants received	431,211	256,384
Less: Related expenses	<u>43,121</u>	<u>38,458</u>
	388,090	217,926
Amounts transferred to General Reserve on completion of related Projects	<u>26,650</u>	<u>128,902</u>
Net transfer from General Reserve	<u>361,440</u>	<u>89,024</u>
Balance at 31st December 1987	<u>£575,842</u>	<u>£214,402</u>

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

MACINTYRE

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MOVEMENT OF FUNDS STATEMENT

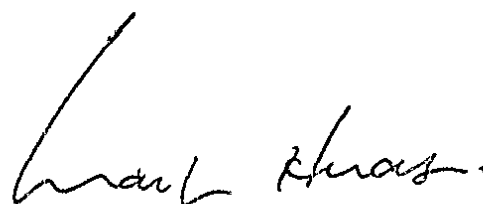
Year ended 31st December 1987

	1987	1986
	£	£
SOURCE OF FUNDS		
Surplus of funds for the year	396,372	259,955
TOTAL GENERATED FROM OPERATIONS	396,372	259,955
FUNDS FROM OTHER SOURCES		
Mortgage	54,000	-
	<u>450,372</u>	<u>259,955</u>
APPLICATION OF FUNDS		
Expenditure on fixed assets	512,121	418,597
Investment in subsidiary	-	100
Premiums paid on endowment policy	4,434	1,648
Loan repaid	10,000	-
	<u>526,555</u>	<u>420,345</u>
DECREASE IN FUNDS	<u>£(76,183)</u>	<u>£(160,390)</u>
PROVIDED FROM:		
Debtors and prepaid expenses	Increase 143,462	115,601
Fees received in advance	Decrease/(Increase) 46,693	(46,693)
Creditors and accrued charges	(Increase) (53,850)	(23,752)
	<u>136,305</u>	<u>45,156</u>
Movement of net liquid funds:		
Bank and cash balances	(Decrease) (212,488)	(205,546)
	<u>£(76,183)</u>	<u>£(160,390)</u>

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

We have audited the financial statements on pages 3 to 9 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company at 31st December 1987 and of the results and movement of funds for the year then ended and comply with the Companies Act 1985.



MacIntyre Hudson

Equipoise House
Grove Place
Bedford

23rd February 1988

Chartered Accountants

REVENUE ACCOUNT

Year ended 31st December 1987

	1987	1986
	£	£
BOARD FEE INCOME		
Sponsors	2,242,114	1,680,597
Fund raising department	-	16,308
Consumables and operating expenses specifically donated	20,512	-
	<u>2,262,626</u>	<u>1,696,905</u>
OPERATING EXPENSES		
Salaries	1,631,233	1,229,379
Catering	103,280	85,723
Rates	21,656	12,365
Heat and light	71,410	73,219
Leasing	125,565	91,771
Transport and travel	46,922	42,882
Telephone, postage and stationery	33,533	42,926
Insurance	22,739	19,476
Replacement of consumables	34,548	26,240
Repairs and renewals	71,832	32,147
Farm and garden	26,543	26,587
Recreation	12,776	11,596
Education and training	22,467	13,192
Staff training	12,576	11,440
Specialist fees	31,038	28,426
Bank interest on operating accounts	25,616	19,563
	<u>2,293,734</u>	<u>1,766,932</u>
Less Revenue received		
Staff charges	39,674	19,771
Farm sales	20,177	18,578
Craft and catering sales	6,336	3,656
	<u>66,187</u>	<u>42,005</u>
	2,227,547	1,724,927
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR BEFORE THE FOLLOWING EXPENSES	35,079	(28,022)
Payment on retirement	-	2,500
Mortgage interest	12,380	5,527
Bank interest on capital accounts	17,237	2,445
	<u>29,617</u>	<u>10,472</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	5,462	(38,494)
FUND RAISING AND PUBLICITY DEPARTMENT		
Donations, grants, and loan	611,606	555,874
Less: Provision for loan repayment	-	50,000
	<u>611,606</u>	<u>505,874</u>
Expenses		
Direct event expenses	15,258	15,450
Information, research and advice	82,447	57,598
Other Fund raising costs	54,498	66,068
	<u>152,203</u>	<u>139,116</u>
	459,403	366,758
Contribution to board fee income	-	16,308
Donations to operating expenses	20,512	-
	<u>438,891</u>	<u>350,450</u>
	444,353	311,956
NEW PROJECT START UP COSTS	46,355	52,001
NET SURPLUS FOR THE YEAR	£397,998	£259,955

MACINTYRE

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FUND RAISING AND PUBLICITY DEPARTMENT EXPENDITURE

Year ended 31st December 1987

	1987 £	1986 £
Salaries	49,599	37,989
Rates	1,040	816
Heat and light	695	1,019
Transport and travel	6,042	8,993
Telephone, postage and stationery	16,451	18,410
Insurance	1,278	1,215
Repairs and renewals	639	-
Staff training	590	887
Specialist fees	1,994	1,728
Rentals and leasing	20,499	16,585
Information literature	36,317	34,819
Subsistence	1,801	1,205
	<u>£136,945</u>	<u>£123,666</u>
Information, research and advice	82,447	57,598
Other fund raising costs	54,498	66,068
	<u>£136,945</u>	<u>£123,666</u>