

Company Number: 3258939

Charity Number: 1058545

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 1997**



LAKIN ROSE

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

Contents

	Page
Legal and Administrative Information	
Trustees' Annual Report (Report of the Directors)	1 - 3
Auditors' Report	4
Statement of Financial Activities	5
Income and Expenditure Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Notes to the Financial Statements	9 - 14

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

Legal and Administrative Information

Company Number	3258939
Charity Number	1058545
Registered Office	167-169 Great Portland Street London W1N 5FB

Governing Board Trustees

Officers:

Chair	Digby Tantam
Honorary Secretary	Janet Boakes
Treasurer	Jean Carr
Vice Chair	Ann Casement
Under Training Standards Officer	Gill Gorell Barnes
Ethics Officer	Mia Beaumont
Chair, Registration Board	Helen Tarsh
Professional Development Officer	Geoff Mothersole

Section Representatives:

Analytical Psychology	Georgia Lepper
Behavioural & Cognitive Psychotherapy	Chris Williams
Experiential Constructivist Therapies	John Dinwoodie
Family, Couple, Sexual and Systemic Therapy	Jane Ridley
Humanistic & Integrative Psychotherapy	Joan Evans
Hypno-Psychotherapy	Sue Washington
Psychoanalytic & Psychodynamic Psychotherapy	Lesley Mordin
Psychoanalytically-based Therapy with Children	Mia Beaumont

Institutional Members:

Association of University Teachers of Psychiatry	Mark Aveline
Tavistock Clinic	Gill Gorell Barnes
Universities Psychotherapy Association	Emmy van Deurzen

Special Members:

British Psychological Society	Lesley Parkinson
Royal College of Psychiatrists	Michael Crowe

Ordinary Members:

Tom Chamberlain
Jenny Corrigall
Christine Lister-Ford
Alice Stevenson

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

Legal and Administrative Information (continued)

Company Secretary

Janet Boakes

Auditors

Lakin Rose
Enterprise House
Vision Park
Histon
Cambridge
CB4 4ZR

Principal bankers

Barclays Bank plc
PO Box 2764
London
NW3 6JD

Charities Aid Foundation
Kings Hill
West Malling
Kent
ME19 4TA

Solicitors

Hewitson Becke & Shaw
Shakespeare House
42 Newmarket Road
Cambridge
CB5 8EP

Bookers and Bolton
24 West Street
Alresford
SO24 9AT

TRUSTEES' ANNUAL REPORT (REPORT OF THE DIRECTORS)
For the year ended 30 September 1997

The trustees and directors present their annual report and the financial statements for the year ended 30 September 1997.

Organisation and structure

The United Kingdom Council for Psychotherapy (UKCP) became a company limited by guarantee without a share capital (registered company number 3258939) on 30 September 1996. All assets and liabilities of the previous charity (registered charity number 801936) were transferred to the new company on 1 October 1996. UKCP is governed by its Memorandum and Articles of Association and an elected Governing Board. It is a registered charity (registered number 1058545).

As an incorporated company UKCP is required to comply with the Companies Act 1985 as well as the Charities Act 1993. This has necessitated some changes in the format and disclosure in the financial statements to comply with current statutory requirements and the requirements of the company's memorandum and articles of association.

Principal activities

The charity's principal activities continue to be :

- i) to promote the art and science of psychotherapy for the public benefit;
- ii) to promote research and education in psychotherapy and to disseminate the results of any such research; and
- iii) to promote (or assist in the promotion, preservation and protection of public health by encouraging) high standards of training and practice in psychotherapy and the wider provision of psychotherapy for the public.

There have been no material changes in these activities in the last year.

The charity's assets are available and adequate to fulfil its obligations, continue to be applied to the stated objects and their value is as shown in the notes to the accounts.

Review of the year

UKCP has continued the process of mapping the profession of psychotherapy through its central role in the Advice, Guidance, Counselling and Psychotherapy Lead Body. The first set of draft psychotherapy standards has now been published, the result of the work of many senior practitioners, coordinated by the Lead Body sub-committee, with the Training Standards Committee.

UKCP has been much involved in the European Association of Psychotherapy (EAP), especially with developing the new European Certificate of Psychotherapy (ECP). Regulations for the European Certificate were agreed at the last AGM of the EAP and the existence of the ECP has already been mentioned in the European Parliament.

We have set up Special Interest Groups and Working Parties to look at particular aspects of UKCP. The roles of the Registration Board and the Governing Board have been under review. The AGM has also been examined in a bid to make it more democratically representative of the number of registrants each delegate represents.

For the first time the chair of the Ethics Committee was elected to the Executive and Finance Committee, and the committee's main work this year has been to develop a unified Appeals Procedure.

Our third professional conference "Development through Diversity: the Therapist's Use of Self" was held in Cambridge this year and was attended by over 200 of our registrants. The second Routledge register was published in November 1996 and the next edition will be published in November 1997 and will include new section flag statements, an improved layout of the geographical breakdown of practitioners, and a list of practitioners who practise in languages other than English. The information department of the office has been expanded and we now have a range of information leaflets available to the public, and a comprehensive Directory of Member Organisations providing training information.

TRUSTEES' ANNUAL REPORT (REPORT OF THE DIRECTORS)
For the year ended 30 September 1997

Financial review

UKCP's financial base has continued to grow significantly. Our incoming resources have increased by 24% on last year and are now over £300,000 per year. This is twice what it was two years ago. Both income and expenditure have risen faster than budgeted, income by the greater proportion leading to a surplus on the year's business of £20,923 (shown as the net income in the Statement of Financial Activities on page 5). Together with the increase in value of our investments of £8,182 this has allowed us to turn our negative reserves of last year into positive reserves of £26,757. This figure represents our net worth and is shown at the bottom of the Balance Sheet on page 8.

It is important that we continue to build up our reserves (our long term aim is to have at least 30% of our turnover in reserves). We have begun to put some of our reserves aside into a designated property fund and have committed £2,000 a month for this purpose up to a total of £12,000 at the year end.

Furthermore our auditors are currently in negotiation with HM Customs and Excise about our potential liability to pay substantial VAT back payments on subscription and registration fees and it is essential that we are prepared for an unfavourable outcome.

The vast majority of our income is from individual registration fees. The number of registrants at the end of the year stood at 3,930 which was slightly down on predicted growth. The future is uncertain as the full effects of some of our members having to leave the UKCP register will not be felt until subsequent years. However this year new registration procedures have ensured that all registrants were strictly required to pay their fees on time and no entry is now made to the register before a fee is received. This has helped budgeting and has maximised the interest we have received on our cash balances and investments which have been acquired in accordance with the powers available to trustees.

We would like to thank the member organisations for their hard work in collecting these fees, and Jon Edgell for his major contribution to maintaining and developing the accounts.

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 net income or expenditure of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the 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 to 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.

TRUSTEES' ANNUAL REPORT (REPORT OF THE DIRECTORS)
For the year ended 30 September 1997

Trustees

The trustees who served during the year are shown on the Legal and Administrative Information pages attached to this report. In addition Michael Pokorny served as a trustee until his resignation on 3 March 1997.

Directors

The directors of the company who served during the year were as follows :

Digby Tantam	(appointed 30 September 1996)
Janet Boakes	(appointed 30 September 1996)
Jean Carr	(appointed 12 January 1997)
Ann Casement	(appointed 30 September 1996)
Mia Beaumont	(appointed 12 January 1997)
Geoff Mothersole	(appointed 12 February 1997)
Georgia Lepper	(appointed 30 September 1996)
John Dinwoodie	(appointed 12 January 1997)
Jane Ridley	(appointed 12 January 1997)
Sue Washington	(appointed 12 January 1997)
Lesley Murdin	(appointed 12 January 1997)
Mark Aveline	(appointed 12 January 1997)
Emmy van Deurzen	(appointed 30 September 1996)
Michael Crowe	(appointed 12 January 1997)
Jenny Corrigan	(appointed 12 January 1997)
Christine Lister-Ford	(appointed 12 January 1997)
Anne Garland	(appointed 12 January 1997)
Michael Pokorny	(appointed 30 September 1996; resigned 3 March 1997)

Directors' interests

The company is limited by guarantee and consequently does not have any share capital.

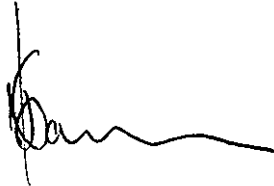
Auditors

The auditors, Lakin Rose, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

Small company exemptions

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

This report was approved by the board on 29 - 11 - 97 and signed on its behalf.



Digby Tantam
Chair

AUDITORS' REPORT TO THE MEMBERS OF THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 9.

Respective responsibilities of trustees, directors and auditors

As described on page 2 the trustees and directors of The United Kingdom Council for Psychotherapy are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 trustees and directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 that 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 30 September 1997 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 provisions of the Companies Act 1985 applicable to small companies.

Lakin Rose

Lakin Rose

Chartered Accountants
Registered Auditor

Enterprise House
Vision Park
Histon
Cambridge
CB4 4ZR

Date: 2 December 1997

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 30 September 1997

	Note	General fund £	Designated fund £	Total 1997 £	Total 1996 £
INCOME AND EXPENDITURE					
INCOMING RESOURCES					
Individual registration fees		221,965	-	221,965	171,305
add: income deferred from prior year		139,800	-	139,800	112,633
less: income deferred to next year		(180,125)	-	(180,125)	(139,800)
		<u>181,640</u>	<u>-</u>	<u>181,640</u>	<u>144,138</u>
Organisational subscriptions		31,100	-	31,100	29,600
Professional conference fees		78,835	-	78,835	60,966
Sales of publications		4,144	-	4,144	4,697
Interest receivable		4,816	-	4,816	3,517
Other income		1,248	-	1,248	137
Total incoming resources	2	<u>301,783</u>	<u>-</u>	<u>301,783</u>	<u>243,055</u>
RESOURCES EXPENDED					
Direct charitable expenditure	5	(219,024)	-	(219,024)	(232,514)
Management and administration	5	(61,836)	-	(61,836)	(24,478)
Total resources expended	5	<u>(280,860)</u>	<u>-</u>	<u>(280,860)</u>	<u>(256,992)</u>
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		20,923	-	20,923	(13,937)
Transfer to property fund	10	(12,000)	12,000	-	-
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR		<u>8,923</u>	<u>12,000</u>	<u>20,923</u>	<u>(13,937)</u>
OTHER RECOGNISED GAINS AND LOSSES					
Realised gains on investments		-	-	-	1,170
Unrealised gains on investments		8,182	-	8,182	2,724
NET MOVEMENT IN FUNDS		<u>17,105</u>	<u>12,000</u>	<u>29,105</u>	<u>(10,043)</u>
FUNDS BROUGHT FORWARD		<u>(2,348)</u>	<u>-</u>	<u>(2,348)</u>	<u>7,695</u>
FUNDS CARRIED FORWARD		<u>£ 14,757</u>	<u>£ 12,000</u>	<u>£ 26,757</u>	<u>£ (2,348)</u>

Income and net incoming/(outgoing) resources derive wholly from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

INCOME AND EXPENDITURE ACCOUNT
For the year ended 30 September 1997

	Note	Total 1997 £	Total 1996 £
INCOME			
Total income	2	<u>296,967</u>	<u>239,538</u>
EXPENDITURE			
Direct charitable expenditure	5	<u>(219,024)</u>	<u>(232,514)</u>
Management and administration	5	<u>(61,836)</u>	<u>(24,478)</u>
Total expenditure	5	<u>(280,860)</u>	<u>(256,992)</u>
OPERATING SURPLUS/(DEFICIT)	3	16,107	(17,454)
Interest receivable		4,816	3,517
Realised gains on investments		-	1,170
NET INCOME/(EXPENDITURE) FOR THE YEAR	11	<u>20,923</u>	<u>(12,767)</u>
Transfer to property fund	10	<u>(12,000)</u>	<u>-</u>
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR		<u>£ 8,923</u>	<u>£ (12,767)</u>

Income and operating surplus/(deficit) derive wholly from continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 30 September 1997

	Total 1997 £	Total 1996 £
Net income/(expenditure) for the financial year	20,923	(12,767)
Unrealised change in valuation of investments	8,182	2,724
TOTAL GAINS AND LOSSES RELATING TO THE YEAR	£ 29,105	£ (10,043)

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

BALANCE SHEET
As at 30 September 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	6		14,963		19,250
Investments	7		62,347		24,165
			<u>77,310</u>		<u>43,415</u>
CURRENT ASSETS					
Debtors	8	33,210		27,796	
Cash at bank and in hand		150,465		109,856	
		<u>183,675</u>		<u>137,652</u>	
CREDITORS: amounts falling due within one year	9	(234,228)		(183,415)	
NET CURRENT LIABILITIES			<u>(50,553)</u>		<u>(45,763)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ 26,757</u>		<u>£ (2,348)</u>
UNRESTRICTED FUNDS					
Designated funds	10		12,000		-
General reserves			14,757		(2,348)
ACCUMULATED FUNDS	11		<u>£ 26,757</u>		<u>£ (2,348)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 29 - 11 - 97 and signed on its behalf



Jean Carr

Trustee

The notes on pages 9 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1997

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets referred to at 1.6 below, and in accordance with the Statement of Recommended Practice "Accounting by Charities", and include the results of the company's operations which are described in the Trustees' Report and all of which are continuing.

The comparative amounts for the year ended 30 September 1996 relate to the previous unincorporated charity (registered number 8019360).

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Incoming resources

Incoming resources comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax.

Individual registration fees are due for payment by 1 July each year in respect of the 12 month period 1 August to 31 July. The proportion of this income that relates to the future period is deferred to match against future expenditure.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	18%	straight line
Computers	-	25%	straight line
Office equipment	-	25%	reducing balance
Fixtures and fittings	-	25%	reducing balance

1.4 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5 Resources expended

Those overhead costs which are not directly attributable to charitable activities are apportioned between direct charitable expenditure and management and administration costs on a suitable basis as determined by the Governing Board.

1.6 Fixed asset investments

Investments held as fixed assets are stated at their quoted market values at the balance sheet date. Gains or losses on disposals of such investments are treated as realised. Gains or losses due to changes in the market value of investments are treated as unrealised. All gains and losses, whether realised or unrealised, are shown in the Statement of Financial Activities. Fixed asset investments are accounted for on a 'last in first out' basis.

2. INCOMING RESOURCES

All of the company's incoming resources arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1997

3. OPERATING SURPLUS/(DEFICIT)

The operating surplus/(deficit) is stated after charging:

	Total 1997 £	Total 1996 £
Depreciation of tangible fixed assets		
- owned by the company	6,215	6,971
Audit fees	2,000	2,000
Auditors' remuneration - accountancy services	794	1,883
Operating lease rentals		
- hire of plant & machinery	3,903	823
- land and buildings	19,317	9,434

No trustee or director received any emoluments in the year (1996 - £Nil).

4. EMPLOYEE INFORMATION

No employee earned £40,000 per annum or more.

The average number of employees (excluding trustees), analysed by function was :

	1997 No.	1996 No.
Professional and other services	3	3
Administration	2	1
	5	4

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1997

5. TOTAL RESOURCES EXPENDED

	Direct charitable expenditure 1997 £	Management and administration 1997 £	Total 1997 £	Total 1996 £
Staff costs				
Staff salaries	52,124	30,612	82,736	71,186
National insurance	5,362	3,149	8,511	7,192
Staff training	498	1,496	1,994	1,300
Staff recruitment	-	-	-	909
	<u>57,984</u>	<u>35,257</u>	<u>93,241</u>	<u>80,587</u>
Conferences and committees				
Professional conferences	74,446	-	74,446	59,188
Committees	20,249	-	20,249	14,958
Europe	4,855	-	4,855	7,455
Conferences	-	-	-	506
	<u>99,550</u>	<u>-</u>	<u>99,550</u>	<u>82,107</u>
Information				
Directory	2,542	-	2,542	1,757
Newsletter and leaflets	13,890	-	13,890	11,362
Register	-	-	-	625
Publicity and promotion	962	-	962	6,277
	<u>17,394</u>	<u>-</u>	<u>17,394</u>	<u>20,021</u>
Office costs and other expenditure				
Moving costs	-	-	-	9,472
Computer consultancy	786	461	1,247	2,530
Printing and stationery	7,479	831	8,310	13,388
Postage	4,838	537	5,375	5,220
Telephone and fax	4,813	535	5,348	4,372
Legal and professional	-	3,256	3,256	3,737
Audit remuneration	-	2,000	2,000	2,000
Accountancy	-	794	794	1,883
Bank charges	-	716	716	709
Sundry administration expenses	1,543	906	2,449	1,994
Equipment leasing	3,513	390	3,903	823
Depreciation	5,593	622	6,215	6,971
Rent	9,659	9,658	19,317	9,434
Rates and service charges	3,245	3,245	6,490	7,293
Light and heat	456	456	912	368
Cleaning	991	992	1,983	1,810
Insurances	577	577	1,154	1,432
Repairs and maintenance	603	603	1,206	841
	<u>44,096</u>	<u>26,579</u>	<u>70,675</u>	<u>74,277</u>
Total expenditure	<u>£ 219,024</u>	<u>£ 61,836</u>	<u>£ 280,860</u>	<u>£ 256,992</u>

THE UNITED KINGDOM COUNCIL FOR PSYCHOTHERAPY

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1997

6. TANGIBLE FIXED ASSETS

	Short term leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 October 1996	7,299	26,607	33,906
Additions	-	1,928	1,928
At 30 September 1997	<u>7,299</u>	<u>28,535</u>	<u>35,834</u>
Depreciation			
At 1 October 1996	1,217	13,439	14,656
Charge for year	1,327	4,888	6,215
At 30 September 1997	<u>2,544</u>	<u>18,327</u>	<u>20,871</u>
Net Book Value			
At 30 September 1997	<u>£ 4,755</u>	<u>£ 10,208</u>	<u>£ 14,963</u>
At 30 September 1996	<u>£ 6,082</u>	<u>£ 13,168</u>	<u>£ 19,250</u>

All tangible fixed assets are held for continuing use in the charity's activities. The usage of these between direct charitable purposes and management and administration is approximately 90% to 10%.

7. FIXED ASSET INVESTMENTS

	UK unlisted investments £
Cost or valuation	
At 1 October 1996	24,165
Additions	30,000
Revaluations	8,182
At 30 September 1997	<u>£ 62,347</u>
Market Value	
At 30 September 1997	<u>£ 62,347</u>
At 30 September 1996	<u>£ 24,165</u>
Historical cost	
At 30 September 1997	<u>£ 49,624</u>
At 30 September 1996	<u>£ 19,624</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1997

8. DEBTORS

	1997 £	1996 £
Due within one year		
Trade debtors - registration fees due	12,875	16,645
Other debtors	13,339	3,531
Prepayments and accrued income	6,996	7,620
	<u>£ 33,210</u>	<u>£ 27,796</u>

Included within other debtors is an amount of £4,829 (1996 - nil) in respect of a secured rent deposit due after more than one year.

9. CREDITORS:
Amounts falling due within one year

	1997 £	1996 £
Trade creditors - conference expenses	42,685	33,067
Other creditors	11,418	10,548
Accruals and deferred income	180,125	139,800
	<u>£ 234,228</u>	<u>£ 183,415</u>

Included within other creditors is an amount of £1,325 (1996 - £1,200) relating to social security and other taxes.

10. DESIGNATED FUNDS

Property fund

	1997 £	1996 £
New designation	12,000	-
At 30 September 1997	<u>£ 12,000</u>	<u>£ -</u>

The property fund was established to enable the company to purchase office accommodation in the future. The fund is accumulating at a rate of £2,000 per month which is being held in a separate bank account.

11. UNRESTRICTED FUNDS

Reconciliation of movements on funds

	1997 £	1996 £
Net income/(expenditure) for the year	20,923	(12,767)
Other recognised gains and losses during the year	8,182	2,724
Net increase/(decrease) in funds	<u>29,105</u>	<u>(10,043)</u>
Opening funds	(2,348)	7,695
Closing funds	<u>£ 26,757</u>	<u>£ (2,348)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 September 1997

12. CONTINGENT LIABILITIES

The trustees are currently in discussion with HM Customs & Excise regarding registration for VAT. If the outcome is that the company should be registered for VAT then it may be liable to pay VAT on subscription and registration fees amounting to approximately £80,000. No provision has been made for this in the financial statements.

13. OTHER COMMITMENTS

At 30 September 1997 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Office equipment	
	1997	1996	1997	1996
	£	£	£	£
Expiry date:				
Between 2 and 5 years	19,317	19,317	4,183	4,183
In more than 5 years	-	-	710	710

14. TRANSACTIONS WITH TRUSTEES

Expenses reimbursed to trustees for attending meetings during the year amounted to £8,993.