

British Homeopathic Association

Council Members' Report and
Financial Statements

Year Ended 31st August 2004

Registered Charity Number : 235900

Registered Company Number :102915



BRITISH HOMEOPATHIC ASSOCIATION

Annual report and financial statements for the year ended 31 August 2004

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Council members

Dr D Spence – Chairman
Mr J Churchill
Mr J Cook
Mr F Hunter (retired 9 October 2003)
Miss H A Jenkins
Dr A Jones
Dr R Leckridge
Mrs S Pickles (resigned 22 January 2004)
Mr A Reynolds
Mr R Whithear

Bankers

HSBC PLC
19 Marylebone High Street
London, W1M 4BD

Stockbrokers

Carr Sheppards Crosthwaite
2 Gresham Street
London, EC2V 7QN

Secretary and registered office

Ms Sally Penrose (appointed 27 May 2004)
Hahnemann House, 29 Park Street West, Luton, LU1 3BE

Mr Jon Kaunda (ceased 27 May 2004)

Company number

102915 (England and Wales)

Registered charity number

235900

Auditors

Kingston Smith, Devonshire House, 60 Goswell Road, London, EC1M 7AD.

BRITISH HOMEOPATHIC ASSOCIATION

Report of the trustees for the year ended 31 August 2004

The trustees acting for the charitable activities of the British Homeopathic Association submit their report and financial statements for the year ended 31 August 2004, which have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by charities"(2000) and the Companies Act 1985. The trustees, who constitute the Council of the British Homeopathic Association, are listed on the previous page.

Status

The British Homeopathic Association is constituted by the Memorandum and Articles of Association dated 1 September 2000 and is a registered charity (number 235900) and a company limited (number 102915) by guarantee not having any share capital.

Every member of the British Homeopathic Association undertakes to contribute such an amount as is required (not exceeding £1) to the company's assets if it should be wound up while he or she is a member of the company or within one year of ceasing to be a member.

Principal activities

The principal objects of the charity are to promote and develop the study and practice of homeopathy and to advance education and research in the theory and practice of homeopathy provided that the useful results of such research shall be published.

The British Homeopathic Association's overall priority is to ensure that there is more homeopathy in the national healthcare system by means of campaigning and fundraising, for:

- i) research
- ii) professional education
- iii) public information and awareness
- iv) service provision

The William Kadleigh Memorial Fund

The William Kadleigh Memorial Fund is an unregistered connected charity whose capital funds are held and managed by the British Homeopathic Association on behalf of the Kadleigh committee. The committee determine the disposition of funds and report at least annually.

	2004 £	2003 £
Balance of fund's assets at 1 September 2003	129,529	128,702
Investment income	4,589	7,432
Expenses paid on behalf of the Kadleigh Committee	(5,413)	(6,754)
Unrealised (loss)/gain	2,257	149
	<hr/>	<hr/>
	130,962	129,529
	<hr/>	<hr/>
Represented by:		
Investments	130,254	127,997
Sundry debtors	832	-
Money on deposit	791	854
Amounts due (to)/from British Homeopathic Association	(915)	678
	<hr/>	<hr/>
Balance of fund's assets at 31 August 2004	130,962	129,529
	<hr/>	<hr/>

BRITISH HOMEOPATHIC ASSOCIATION

Report of the trustees for the year ended 31 August 2004 (continued)

Hahnemann House Trust

The British Homeopathic Association is the trustee of the Hahnemann House Trust (Registered Charity No 252702).

The Hahnemann House Trust is not incorporated within the financial statements of the British Homeopathic Association

Statement of trustees' responsibilities

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and group and of the surplus or deficit of the group for that period. In doing so the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees

The trustees are also directors for the purposes of the Companies Act 1985

The method of appointment of trustees is contained in the governing documents. Trustees are also members of the British Homeopathic Association Council and simultaneously guarantee members of the company.

No new trustees were appointed during the year.

The names of those trustees who served during the year are listed on the contents page.

No trustee had any financial interest in the British Homeopathic Association.

No trustee has received any remuneration, aside from out-of-pocket expenses, from the British Homeopathic Association during the year.

Results

Expenditure was reduced over the previous year, resulting in the net outgoing resources before investment gains of £1,771 for the year to 31 August 2004, compared to net outgoing resources of £297,088 in 2003.

Net Investment gains of £40,847 and the write-back of provisions of £25,000 mean that there was an overall increase in funds of £64,076.

Grants totalling £141,518 (2003: £272,540) were made during the year, details of which are shown in note 7. The total reserves of the British Homeopathic Association stand at £878,665.

Activities during the year

This has been a year of consolidation following the Association's relocation to its freehold property in Luton in April 2003. Due to financial constraints, work has concentrated on core activities – information, access, research and training. Progress has been solid and steady with many excellent achievements.

Overview of achievements in core areas of work

1. Providing information about homeopathy

One of the Association's main areas of work is to raise awareness of the benefits of homeopathy. Its goals for the year included:

- ensuring that the public information service is efficient and effective
- updating and improving the printed and electronic practitioner directory
- making further improvements to the website
- reducing the cost of *Health & Homeopathy* magazine
- increasing the number of Friends of the BHA, especially people under 50
- increasing favourable media coverage of homeopathy
- ensuring the future of the Burford Library

The professionalism of the BHA's information service received a boost with the appointment, in September 2003, of a qualified librarian as Membership and Information Officer. All our information files have been fully reviewed and our small in-house reference library re-organised to enable us to provide a much-improved service. The majority of enquiries are straightforward requests for our basic information pack which is sent out within 24-hours; more specific enquiries receive an individual response often including a copy of an article or information directly relevant to the request. An increasing number of enquiries come direct from our website and our monthly analyses show that an average of almost 8,000 people a month visit our website.

The practitioner directory has been fully revised and updated and now includes nurses as well as doctors, dentists, pharmacists, podiatrists and vets who practise homeopathy. In tandem, the search facility for practitioners on the website was completely re-designed to make it easier for the public to use. It includes all the professions in the printed directory.

Health & Homeopathy magazine continues to be our main vehicle for providing regular information about homeopathy to our supporters and homeopathic patients. By going out to tender, we successfully managed to reduce our print costs and we also take advantage of Presstream discounts to help with distribution costs. All the feature articles from each issue of *Health & Homeopathy* going back four years are available in pdf format on our website, free to read or download by anyone who wishes. This has grown to become a unique resource with over 120 articles on topics ranging from allergies to stress.

The BHA values highly its loyal supporters and is most grateful for their continuing generosity. Like many membership organisations, we would like to increase our supporter base but, like other organisations, have found it difficult to achieve our aim in this area. However this work continues and a staff team meets regularly to discuss new ideas and schemes.

We continue to provide the media with information and monitor the press for any negative or misleading articles. During the year the BHA and/or Faculty contact details were given in 83 out of 460 articles. In April and July we were saddened by the death of two well-known and highly respected Faculty members – Drs Andrew Lockie and John Hughes-Games respectively. Both contributed a great deal over the years to the media and helped raise the profile of homeopathy among the public in particular.

Overview of progress during the year (continued)

Although the Burford Library remains in storage, it is hoped that it will have a new home in the newly refurbished Royal London Homeopathic Hospital when it re-opens in spring 2005.

Events of note during the year were: the attendance of the BHA's chairman, Dr David Spence, at a reception at Buckingham Palace hosted by Her Majesty The Queen to honour "Pioneers of British Life"; the opening, in June, of our permanent display of the Hahnemann House collection of historical items belonging to Dr Samuel Hahnemann and his followers and the BHA's stand at the National Cat Show at Olympia..

2. Research

The Association's Homeopathic Research Committee (HRC) continued to pursue its initiatives in building the research evidence base in homeopathy.

Its key areas of work include:

- improving research awareness and skills among members of the Faculty of Homeopathy;
- developing collaborations with university-based researchers;
- seeking opportunities for external grant-funding;
- establishing a clinical data collection project for the Faculty's doctors.

During the year, the BHA's Research Development Adviser, Dr Robert Mathie, organised three short courses in research methods; these took place in Bristol, Glasgow and London. The Faculty of Homeopathy's Higher Specialist Training guidelines now include a requirement of attendance at such a course.

An ambitious bid to obtain funding by the American National Institutes of Health (NIH) for a multi-centre programme of research was not successful, but peer-review comments from the NIH were very encouraging. Together with colleagues at the University of Nottingham, Dr Mathie has made two bids for funding research in homeopathy for atopic eczema: one submitted to the NIH, the other to the Blackie Foundation Trust. Both studies crucially involve Faculty doctors as those who will treat the patients. He is also working with researchers at the University of Birmingham and at Napier University Edinburgh to develop, respectively, equivalent projects in irritable bowel syndrome and gynaecological problems. It is expected that both projects will develop into clinical trials of homeopathy compared with standard care for these conditions.

The study protocol for a clinical data collection project has been developed, and a pilot for this work is planned to begin early in 2005. A principal aim of this work is to target future research by identifying conditions that are treated successfully using homeopathy. Initiatives have been taken to develop equivalent projects in dental and veterinary homeopathy.

Dr Mathie was successful in obtaining a grant from the Dr Susil and Jamila Mitra Charitable Trust to help support the above activities.

3. Helping more people gain access to homeopathic treatment

Public demand for homeopathy continues to grow but many patients still face difficulties obtaining treatment on the NHS. Our aims are:

- to increase the availability of homeopathy in NHS primary care
- to limit the impact of any negative publicity which could affect the availability of homeopathy in the NHS

Overview of progress during the year (continued)

In recent years the BHA has funded a number of pilot clinics with the aim that, after three years, the NHS would continue to provide funding. This project is now coming to an end as the final two clinics approach their final months of charity funding. No further BHA clinics are planned at present though the BHA is encouraging Faculty doctors to approach their PCTs to establish new clinics. Financial constraints are an issue for many PCTs and also the perceived weakness of the evidence base for homeopathy. Persuading PCTs that homeopathy could save them money and that the evidence base is more robust than some interpretations of it will take time and patience.

In the meantime, one of the BHA's roles is to provide an advocacy service to patients who face problems in accessing homeopathy in the NHS. Often, patients find that persistence is rewarded and the advice and encouragement that the BHA provides is the spur that they need.

Some of our work this year, unfortunately, has been to resist threats to the existing NHS homeopathy services. The in-patient service at Glasgow Homeopathic Hospital has been threatened with closure as a cost-cutting exercise and the BHA mobilised its supporters in Scotland to support the campaign against the closure. In Liverpool, the retirement of Dr Bill Richardson, consultant in charge of the Department of Homeopathic Medicine, has led to some uncertainty about whether this will continue as a consultant-led service.

On a more positive note, we made good progress at the end of 2003 towards the growth of understanding among the medical profession of the potential benefit for patients of homeopathic treatment. A guide to homeopathy for GPs (funded by a donation from the HSA Charitable Trust) was mailed to every GP in England and Wales. This is also available for use by patients to give to their GP if they find that an initial request for a referral is refused.

While it certainly seems that there is much more work to be done to achieve our aim of wider public access to homeopathy, we feel encouraged by the increasing importance of patient choice in the NHS agenda. The BHA is a member of the International Association of Patients' Organisations (IAPO) and is a founder member of the European Federation of Homeopathic Patients' Organisations (EFHPA), whose President is former BHA Secretary General Mrs Enid Segall. This organisation sits alongside the Patients/Users Sub-committee of the European Committee for Homeopathy and is now in a stronger position to represent patients' views in the EU.

4. Training more practitioners

The BHA believes that homeopathy should be fully integrated into our healthcare system. The best way of achieving this is to train existing healthcare professionals in homeopathy so that they can fully integrate it in their practice. Our goals therefore are:

- to increase the number of MFHoms and DFHoms across a range of healthcare professions
- to increase the inclusion of homeopathy in undergraduate education
- to achieve the recognition of homeopathy as a medical specialty by the medical establishment

The BHA itself cannot achieve these aims but instead works closely with the Faculty of Homeopathy and supports its work through an annual grant.

Until recently, only doctors and vets could progress to the MFHom qualification. However, work developing advanced curricula for other disciplines means that nurses and now pharmacists may continue to and attain the MFHom qualification. This latter development reflects the changing role of pharmacists, which allows them to provide some services that in the past had been limited to GPs.

BRITISH HOMEOPATHIC ASSOCIATION

Report of the trustees for the year ended 31 August 2004 (*continued*)

Overview of progress during the year (continued)

In addition, there is much work developing advanced educational pathways in podiatry, midwifery and osteopathy - disciplines that at present can only advance as far as the LFHom level of training.

The Faculty has also made good progress in building links with the University of Luton. The University has an excellent nursing faculty and it is hoped that the Faculty's introductory level homeopathy programme will be offered as a university module, as well as forming a Continuing Professional Development (CPD) programme for its large number of nursing alumni.

During the year 32 doctors, vets and nurses gained the MFHom qualification and 99 healthcare professionals gained the LFHom qualification. A significant number of the new LFHoms were from outside the UK, an encouraging confirmation of the Faculty's international reputation for setting standards and the quality of its training and examinations.

While the Faculty continues to pioneer the development of Special Study Modules (SSM) in undergraduate education, the BHA's funding of the Senior Clinical Lecturer in Homeopathic Medicine at Liverpool University has now reached its third year. During the first two years of his appointment, Dr Martien Brands has managed to integrate homeopathy seamlessly into the undergraduate curriculum at Liverpool, which means that its medical students are exposed to homeopathy throughout their studies.

Although homeopathy continues to be viewed with scepticism by some parts of the medical establishment, discussions continue to be held with bodies such as the Royal College of Nursing, Nursing and Midwifery Council, General Dental Council, General Medical Council, Royal Pharmaceutical Society of Great Britain and the Society of Chiropodists and Podiatrists. Good progress is being made in each of these areas.

5. Fundraising

Income generation is essential in order to enable us to carry out work in our four key areas of activity. Our overall aim is to raise funds from individuals and trusts in order to reduce our dependence on legacies which are unpredictable.

While funds raised from donors, trusts and Friends remained buoyant, they did not show an increase on the previous year. This was partly due to the fact that the BHA no longer has a full-time fundraiser and partly because there is fierce competition among charities for funds.

Friends' donations came to £57,071, and there were also donations from the HSA Charitable Trust of £24,744 for the GP guide, £9,654 from the Mitra Charitable Trust for research, £25,000 from Nelsonbach and the Barcapel Foundation for bursaries and the final grant of £9,200 from the Tanner Trust for the homeopathic clinic at Didcot. We were particularly grateful to Dr Philip Wander, homeopathic dentist, for a most generous gift of shares worth approximately £34,000.

After several years with very little legacy income, the BHA received notification of several legacies during the year. Some of these may not be received for some time as the executors have to complete their work but payments totalling £231,063 were received during the year from the estates of Ms Jessie Kate Lines, Mr Tom Howlett Bennett, Mrs Lydia Scarff, Mr Mervyn Madge and Mrs Helena Blanche Turner Wood. The trustees are extremely grateful to each of these generous benefactors.

Although further legacy income is expected during the coming year, fundraising efforts will continue in order to enable the BHA to diversify its income and expand its work.

BRITISH HOMEOPATHIC ASSOCIATION

Report of the trustees for the year ended 31 August 2004 (continued)

Corporate

Since moving to Luton, the BHA has managed to reduce its running costs dramatically. The Association is now fully established and has become involved with other local organisations in a group called Lutonfirst which works to promote Luton. Good links have been established with the University and it is hoped shortly to recruit a new trustee from the local community. As staff who came with us from Clerkenwell have gradually moved on, we have been fortunate to recruit a number of excellent staff locally.

The Joint Working Group (with two representatives from the BHA and two from the Faculty) has met twice to monitor the financial situation. However, news of several forthcoming legacies towards the end of the year have provided us with a welcome boost and given the Association the opportunity to replenish its reserves.

The Faculty of Homeopathy

Much of the Association's work is inextricably linked with the Faculty of Homeopathy, whose members support the BHA by providing their professional expertise. The Faculty is the only professional body that represents statutorily registered homeopathic practitioners – doctors, dentists, nurses and midwives, pharmacists, podiatrists and vets qualified in homeopathy. It ensures the highest standards of homeopathic training, education and practice and has over 1,400 members who find the quality of their patient care and professional satisfaction have been improved by learning about and using homeopathy in their daily work. It is also the leading authority on homeopathic medicine, working to convince government, the medical establishment and decision-makers of the need for homeopathy to be fully integrated in healthcare systems in the UK and around the world.

Future developments

The Association will continue its work in its four key areas of activity – information, access, research and training together with fundraising. The prospect of further legacy income during the year is encouraging though the trustees are taking a cautious view and will continue to keep a tight rein on expenditure.

Changes to the NHS also provide some optimism that there may be an expansion of homeopathy and there have been encouraging comments in the press from a government minister.

2005 sees the 250th anniversary of the birth of Samuel Hahnemann so this will be a special year for those involved in homeopathy and one in which we hope to see further progress in our work.

Corporate governance

The trustees meet four times a year to consider the performance of the British Homeopathic Association against its business plan, to consider matters specifically reserved for their attention as laid down in the governing documents and to direct the executive officers of the Association as they consider appropriate.

Matters relating to the highly specialised field of research are delegated to the Homeopathic Research Committee, a properly constituted sub-Committee. This sub-Committee formally reports its actions to the trustees annually and provides written updates at more regular intervals.

BRITISH HOMEOPATHIC ASSOCIATION

Report of the trustees for the year ended 31 August 2004 (*continued*)

In addition, the executive officers of the British Homeopathic Association meet regularly to discuss and implement strategic issues as directed by the trustees and to monitor and control the performance of the charity on the authority delegated by the trustees.

Reserves policy

Because the Association has historically not been in a position to raise sufficient funds on an annual basis to cover the cost of its work, relying for a significant part of its funding on legacies which are unpredictable, the trustees' objective is to maintain sufficient reserves to allow the BHA to continue at its underlying level of activity for at least three years.

At 31 August 2004, the BHA's general reserves (excluding the permanent endowment, fixed assets, restricted and designated funds) were £658,272, sufficient to cover an annual operational deficit of approximately £200,000 for the next three years.

The level of reserves is kept under continual surveillance so that, if or when reserves fall for any reason, appropriate measures can be taken by the Association to adapt its levels of activity. If legacy and fundraising income do not increase, or if the value of investments falls again, the trustees have contingency plans to further reduce activities as required until the reserves can be restored to a more appropriate level.

Investment policy

The trustees have established an Investment Policy appropriate to the needs of the charity. Consequently investments have been made through a variety of short and medium funds managed by fund managers, Carr Sheppards Crosthwaite.

Grant making policy

The BHA reviewed its grant-making procedures in 2000 and has a clear policy and application form. All grants currently being made conform to the criteria outlined in the policy. However, financial circumstances mean that the Association is not encouraging grant applications at present.

Risk management

The Association conducted its first assessment of the major strategic, business and operational risks facing it in 2001 and implemented systems to mitigate those risks. A complete review of both the risks and mitigating actions needed was conducted during 2003 and in addition, key risks are reviewed at each trustees' meeting. A further review of financial controls was carried out during 2004 and new procedures introduced.

Employees

The Association is working towards equal opportunities. Conditions of employment are set out in the Staff Handbook.

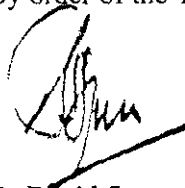
BRITISH HOMEOPATHIC ASSOCIATION

Report of the trustees for the year ended 31 August 2004 (*continued*)

Auditors

The Trustees reappointed Kingston Smith to act as its auditors at its AGM in April 2004 and they will be reappointed at the next AGM.

By order of the Trustees

A handwritten signature in black ink, appearing to read 'D Spence', written over a horizontal line.

Dr David Spence
Chairman

[]

7th April 2005

BRITISH HOMEOPATHIC ASSOCIATION

Report of the Independent Auditors

To the Members of British Homeopathic Association

We have audited the financial statements of the British Homeopathic Association for the year ended 31 August 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, modified for the revaluation of investment assets, and the accounting policies set out therein.

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

Respective Responsibilities of Trustees and Auditors

The trustees' (who are also the directors of the British Homeopathic Association for the purposes of company law) responsibilities for preparing Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

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 Trustees' Annual Report is not consistent with the financial statements, if the charity 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 trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' 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 misstatements 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 state of affairs of the charity as at 31 August 2004 and of the incoming resources and application of resources, including the income and expenditure, of the charity for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Devonshire House
60 Goswell Road
London EC1M 7AD

Date: 7th April 2005


Kingston Smith
Chartered Accountants
& Registered Auditors

BRITISH HOMEOPATHIC ASSOCIATION

Statement of financial activities for the year ended 31 August 2004

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Fund £	Total 2004 £	Total 2003 Restated £
Incoming resources						
Activities in furtherance of the charity's objectives						
Donations and gifts	3	41,543	68,598	-	110,141	132,196
Friends donations		57,071	-	-	57,071	74,587
Legacies		205,100	25,963	-	231,063	29,070
Gifts in kind		1,452	-	-	1,452	1,200
Other income		9,057	-	-	9,057	12,469
Activities for generating funds						
Special appeals		-	-	-	-	1,568
Royalties		973	-	-	973	1,622
Investment income	4	39,055	7,433	-	46,488	49,122
Total incoming resources		354,251	101,994	-	456,245	301,834
Resources expended						
Cost of generating funds						
Fundraising and publicity	6	2,936	-	-	2,936	34,589
Direct Charitable Expenditure						
Training of healthcare professionals	6	63,000	63,518	-	126,518	234,289
Provision of Information		84,531	26,713	-	111,244	126,313
Increasing public access		25,393	15,000	-	40,393	77,359
Research development		50,197	22,698	-	72,895	84,059
Management and administration		94,469	9,561	-	104,030	42,313
		317,590	137,490	-	455,080	564,333
Total resources expended	6	320,526	137,490	-	458,016	598,922
Net (outgoing)/ incoming resources before revaluation of investments						
Unrealised gains	10	33,725	(35,496)	-	(1,771)	(297,088)
Realised gains/ (losses)		36,118	3,428	5,774	40,847	6,821
		(4473)	-	-	-	-
Net incoming/(outgoing) resources		65,370	(32,068)	5,774	39,076	(290,267)
Faculty Grant Provision release	14	-	-	-	-	553,500
Liverpool University Grant Provision release	14	25,000	-	-	25,000	50,000
Net movements in funds		90,370	(32,068)	5,774	64,076	313,233
Fund balances brought forward at 1 September 2003						
		575,231	115,469	123,889	814,589	501,356
Fund balances carried forward at 31 August 2004						
	15	665,601	83,401	129,663	878,665	814,589

The notes on pages 14 to 25 form part of these financial statements.

BRITISH HOMEOPATHIC ASSOCIATION

Summary income and expenditure account

Year ended 31 August 2004

	2004 £	2003 £
Gross income from continuing operations (Excludes Endowment)	456,245	297,460
Total income of continuing operations	456,245	297,460
Total expenditure of continuing operations	(458,016)	(598,122)
Net (Expenditure)/ Income before transfers	(1,771)	(300,662)
Transfers between funds	-	2,246
Net gains/(losses) on fixed asset investments	35,073	4,254
Net Income/ (Expenditure)	33,302	(294,162)
Faculty Grant Provision Release	-	553,500
Liverpool University Grant Provision Release	25,000	50,000
Net Movement in Funds	58,302	309,338

Total income comprises £354,251 (2003: £221,384) for unrestricted funds and £101,994 (2003: £76,076) for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Detailed analysis of the expenditure is provided in the Statement of Financial Activities and Notes 6 to 8

Total expenditure for the year was £458,016 (2003: £598,122), comprising £320,526 (2003: £443,328) of unrestricted funds and £137,490 (2003: £154,794) expenditure of restricted funds, as shown in the Statement of Financial Activities.

The Summary Income and Expenditure account is derived from the Statement of Financial Activities on page 11 which together with the notes to the accounts on pages 14 to 25 provides full information on the movements during the year on all the funds of the charity.

The income and expenditure account includes all gains and losses recognised in the year.

All activities relate to continuing activities.

The notes on pages 14 to 25 form part of these financial statements.

BRITISH HOMEOPATHIC ASSOCIATION**Balance sheet at 31 August 2004**

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	9	7,329	8,838
Investments	10	767,527	920,725
		<hr/>	<hr/>
		774,856	929,563
Current assets			
Debtors	11	13,080	18,236
Cash at bank and in hand	12	299,183	118,511
		<hr/>	<hr/>
		312,263	136,747
Creditors: amounts falling due within one year	13	83,454	101,721
		<hr/>	<hr/>
Net current assets		228,809	35,026
		<hr/>	<hr/>
Total assets less current liabilities		1,003,665	964,679
Provision for liabilities & charges	14	(125,000)	(150,000)
		<hr/>	<hr/>
Total Net assets		878,665	814,589
		<hr/>	<hr/>
Income funds			
Unrestricted funds		665,601	575,231
Restricted funds		83,401	115,469
Permanent Endowment		129,663	123,889
		<hr/>	<hr/>
	15	878,665	814,589
		<hr/>	<hr/>

The financial statements were approved by the Board on 7 April 2005 and signed on its behalf by:



Dr David Spence
Chairman

The notes on pages 14 to 25 form part of these financial statements.

1 Accounting policies

Accounting policies have remained unchanged from the previous year, however some comparative figures have been restated in order to reflect a better interpretation of the SORP.

Basis of preparation.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of fixed asset investments, and are in accordance with (i) applicable accounting standards and (ii) the 2000 Charities Accounting Statement of Recommended Practice (SORP) and (iii) Companies Acts 1985. There have been no changes in accounting policies during the year.

Income

Income from subscriptions, donations and legacies are included in the financial statements on a receipt basis. All other income is accounted on an accruals basis.

Resources expended

Expenditure is accounted for on an accruals basis. Charitable expenditure includes the direct costs of planning, staffing and operating activities.

Fundraising and publicity expenditure consists of a proportion of staff costs and costs of producing the Annual Report and membership recruitment.

Management and administration expenditure consists of the statutory and organisational costs of operating as a charitable company.

Tangible fixed assets

Tangible fixed costs with a value of £500 or more are capitalised.

Fund accounting

General funds are available for use at the discretion of the trustees in pursuing the general charitable objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are created when funds (whether income or capital in nature) are given to, or raised by, the charity for use in a particular area or for a specific purpose only.

Endowment Funds

These are assets which must be held permanently by the British Homeopathic Association. The changes to the value of the fund are reflected in the SOFA as unrealised gains or losses.

Accounting policies (*Continued*)

Gifts in kind

The Association includes individual Gifts in kind where these are worth in excess of £500. The only Gift in kind this year was the cost of printing one edition of the practitioner directory which was paid by Ainsworths Homeopathic Pharmacy.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Office equipment, fixtures and equipment	-	10% or 25% reducing balance
Computer equipment	-	25%
Council regalia	-	10 years
Educational equipment	-	25%

Investments

Investments are shown at market value. The unrealised movement in market value from one year to another is taken to the appropriate fund. The market value of investments is determined by reference to stock exchange prices at the balance sheet date. Gains or losses arising during the year are disclosed in the Statement of Financial Activities (SOFA).

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial resources.

Taxation status

The Association as a registered charity does not incur corporation tax and reclaims any tax suffered on investment income.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund during the year.

Emoluments

The Council Members who are the directors of the company do not receive emoluments for their services nor do contracts of services exist between the council members and the company.

BRITISH HOMEOPATHIC ASSOCIATIONNotes forming part of the financial statements for the year ended 31 August 2004 *(Continued)***2 Resources expended**

Resources expended are stated after charging:

	2004 £	2003 £
Depreciation of tangible fixed assets	2,258	12,519
Auditors remuneration	6,463	5,875
Pension costs	5,001	10,240

3 Donations

	Unrestricted £	Restricted £	2004 £	2003 £
Trust and Corporate	750	18,854	19,604	59,100
Nelson Barcapel	-	25,000	25,000	15,000
GP Guide Project	-	24,744	24,744	-
Gift Aid	6,603	-	6,603	-
Other	34,190	-	34,190	58,096
	<u>41,543</u>	<u>68,598</u>	<u>110,141</u>	<u>132,196</u>
Total incoming resources	<u>41,543</u>	<u>68,598</u>	<u>110,141</u>	<u>132,196</u>

4 Investment income

	2004 £	2003 £
Rental income	10,000	3,562
Dividend and interest on investments	36,488	45,560
	<u>46,488</u>	<u>49,122</u>

5 Gifts in kind

	2004 £	2003 £
	1,452	1,200

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2004 (Continued)

6 Analysis of total resources expended

	Direct Costs	Deprec- -iation	Staff costs	Grants Payable	Other	2004 Total	2003 Total Restated
	£	£	£	£	£	£	£
Cost of generating funds							
Fundraising and publicity	1,061	24	1,440	-	411	2,936	34,589
	1,061	24	1,440	-	411	2,936	34,589
Direct Charitable expenditure							
Training of healthcare professionals	-	-	-	126,518	-	126,518	234,289
Provision of information	55,605	703	42,742	-	12,193	111,244	126,313
Increasing public access	369	316	19,223	15,000	5,484	40,393	77,359
Research development	5,799	848	51,544	-	14,704	72,895	84,059
Management and Administration	75,101	366	22,223	-	6,340	104,030	42,313
	136,875	2,234	135,732	141,518	38,721	455,081	564,333
Release of provision	-	-	-	-	-	-	(553,500)
Liverpool Uni. provision release (see note 14)	(25,000)	-	-	-	-	(25,000)	(50,000)
Total resources expended	112,936	2,258	137,173	141,518	39,132	430,081	(4,578)

Management and administration costs include £65,056 which was misappropriated in 2004 by a previously employed Financial Controller. The total amounted to £ 98,773 of which £33,717 had been reflected in the previous year's results.

7 Grants payable

	2004	2003 restated
	£	£
Funding of The Faculty of Homeopathy's educational work (note 17)	63,000	136,779
Hom Inform /British Homeopathic Library	-	28,000
Local homeopathic clinics	15,000	38,251
Liverpool University Medical School	50,088	50,000
Senior Clinical Lecturer's post		
Nelson Barcapel bursaries	13,430	18,560
Support for homeopathy in Bromley	-	800
Lee Holland Memorial	-	150
	141,518	272,540

BRITISH HOMEOPATHIC ASSOCIATION**Notes forming part of the financial statements for the year ended 31 August 2004 (Continued)****8 Staff costs**

	2004 £	2003 £
Wages and salaries	119,679	136,308
Social security costs	12,493	16,118
Other pension costs	5,001	10,240
Redundancy costs	-	2,780
	<hr/>	<hr/>
	137,173	165,446
	<hr/>	<hr/>

The average monthly number of employees (including casual and part time staff) during the year was made up as follows:

	2004 Number	2003 Number
Direct charitable activities	5	6
	<hr/>	<hr/>

The trustees received no emoluments. However, all trustees had travel expenses to and from Trustees' meetings reimbursed totalling £1,304 (2003: £3,216) during the year.

No employee earned over £50,000 per annum in the year. Aggregate salary costs for the British Homeopathic Association and The Faculty of Homeopathy amounted to £243,023 of which £ 105,850 has been re-charged to The Faculty of Homeopathy, leaving £137,173 charged to the British Homeopathic Association as set out above and at note 5.

BRITISH HOMEOPATHIC ASSOCIATIONNotes forming part of the financial statements for the year ended 31 August 2004 (*Continued*)**9 Tangible fixed assets**

	Office equipment fixtures and equipment £	Computer equipment £	Council regalia £	Total £
<i>Cost</i>				
At 1 September 2003	68,109	65,328	4,563	138,000
Additions in year	-	749	-	749
	<hr/>	<hr/>	<hr/>	<hr/>
	68,109	66,077	4,563	138,749
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 September 2003	59,271	65,328	4,563	129,162
Charge for the year	2,070	188	-	2,258
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2004	61,341	65,516	4,563	131,420
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2004	6,768	561	-	7,329
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2003	8,838	-	-	8,838
	<hr/>	<hr/>	<hr/>	<hr/>

BRITISH HOMEOPATHIC ASSOCIATION

Notes forming part of the financial statements for the year ended 31 August 2004 (*Continued*)

10 Fixed asset investments

	2004 £	2003 £
Investments listed on a recognised stock exchange	766,040	919,238
Women's Pioneer Group	1,487	1,487
	<u>767,527</u>	<u>920,725</u>
Investments at cost	679,031	844,602
Market value at 1 September 2003	919,238	1,151,262
Disposals proceeds	(247,047)	(302,325)
Acquisitions at cost	54,489	63,480
Net gains/ (losses)	40,847	6,821
Market Value at 31 August 2004	<u>767,527</u>	<u>919,238</u>
The investments listed on a recognised stock exchange are analysed as follows:		
UK Fixed interest	179,904	322,097
UK Equities	498,133	598,628
Overseas Equities	89,490	-
	<u>767,527</u>	<u>920,725</u>
Investments > 5% of portfolio:		
Fledgeling Charity Bond Fund	69,186	
Fledgeling Charity UK Equity	172,044	
Fidelity Inv Svcs European Acc	39,828	

11 Debtors

	2004 £	2003 £
Due within one year		
Debtors	87	1,911
Prepayments and accrued income	9,316	16,325
Related party debtors	3,677	-
	<u>13,080</u>	<u>18,236</u>

BRITISH HOMEOPATHIC ASSOCIATIONNotes forming part of the financial statements for the year ended 31 August 2004 (*Continued*)**12 Cash at bank and in hand**

	2004 £	2003 £
Held by the British Homeopathic Association	235,596	74,162
Held by the Fund Managers	63,587	44,349
	<u>299,183</u>	<u>118,511</u>

13 Creditors: amounts falling due within one year

	2004 £	2003 £
Trade creditors	-	5,439
Other creditors	5,003	5,003
Accruals and deferred income	21,651	8,879
Amount due to related party	56,800	82,400
	<u>83,454</u>	<u>101,721</u>

14 Provisions for liabilities and charges

	2004 £	2003 £
Total provision brought forward	150,000	753,500
Faculty provision written back	-	(553,500)
Liverpool University provision written back	(25,000)	(50,000)
	<u>125,000</u>	<u>150,000</u>

The provision relates to a 3 year grant for the Liverpool University Senior Lecturer's post. The release represents funding which have been received post 31st August 2004 and therefore will not have to be met by the British Homeopathic Association.

15 Movement in funds

	Balance at 1 September 2003 £	Incoming	Outgoing resources	Gains/ (losses)/ Transfers £	Balance at 31 August 2004 £
Permanent endowment					
Phillips Memorial Charity (Charity No. 235902)	123,889	-	-	5,774	129,663
	123,889	-	-	5,774	129,663
Restricted					
Veterinary teaching and research fund	21,159	821	(1,756)	1,024	21,248
Christina Dykes fund	21,140	-	(21,140)	-	-
Clinics Appeal	10,037	9,357	(15,335)	195	4,254
John Ede Restricted fund	3,601	71	-	-	3,672
Liverpool University Senior Lecturer's Fund	59,532	367	(50,872)	457	9,484
GP Guide	-	24,744	(24,744)	-	-
Mitra Charitable Trust	-	9,968	(2,230)	392	8,130
General Research Fund	-	17,140	(1,370)	800	16,570
Nelson Barcapel Fund	-	25,449	(15,429)	560	10,580
Phillips Memorial Charity (income)	-	4,614	(4,614)	-	-
Mervyn Madge Fund	-	9,463	-	-	9,463
	115,469	101,994	(137,490)	3,428	83,401
Unrestricted					
Designated	2,322	-	-	(2,322)	-
General	572,909	354,251	(295,526)	33,967	665,601
	814,589	456,245	(433,016)	40,847	878,665

The Veterinary Teaching and Research Fund is for research into veterinary homeopathy

The Christina Dykes Fund is for the Research Development Adviser post

The Clinics Appeal is for homeopathic clinics

The John Ede Fund is for travel bursaries for doctors and pharmacists to attend conferences and seminars abroad.

The Liverpool University Senior Lecturer's Fund is for the Dr Martien Brand's post in the Department of Primary Care at Liverpool. The BHA has made a provision of £125,000 to cover any shortfall in funds raised for the remaining three years of the post.

15 Movement in funds (continued)

The Mitra Charitable Trust Fund is for 20 per cent of the Research Development Adviser's salary and for research methods courses

The General Research Fund is for research

The Nelson Barcapel Bursaries/Barcapel Foundation Fund is for the provision of assistance to doctors, dentists and veterinary surgeons studying homeopathy on courses accredited by the Faculty of Homeopathy

The Phillips Memorial Charity (income) is for the promotion of homeopathy

16 Analysis of net assets

	Unrestricted Funds £	Designated funds £	Restricted funds £	Permanent endowment funds £	Total funds £
Funds balances at 31 August 2004	665,601	-	83,401	129,663	878,665
Represented by:					
Tangible fixed assets	7,329	-	-	-	7,329
Investments	566,740	-	71,124	129,663	767,527
Cash at bank and in hand	286,906	-	12,277	-	299,183
Other net current liabilities	(70,374)	-	-	-	(70,374)
Provision for liabilities	(125,000)	-	-	-	(125,000)
	665,601	-	83,401	129,663	878,665

17 Related parties

(i) **The Faculty of Homeopathy** is a connected non-profit organisation, which shares certain staff with the British Homeopathic Association and is represented on its Council.

During the year the Faculty was recharged £156,119 of expenses incurred on its behalf and the British Homeopathic Association made a grant of £63,000 to the Faculty, of which £56,801 was owed to the Faculty as at 31 August 2004

(ii) **The William Kadleigh Memorial Fund** is an unregistered connected charity whose capital funds are held and managed by the British Homeopathic Association on behalf of the Kadleigh committee.

	2004 £	2003 £
Balance of Fund's assets at 1 September 2003	129,529	128,702
Investment income	4,589	7,432
Expenses paid on behalf of the Kadleigh Committee	(5,413)	(6,754)
Unrealised (loss)/gain	2,257	149
	<hr/>	<hr/>
Balance of Fund's assets at 31 August 2004	130,962	129,529
	<hr/>	<hr/>
Represented by		
Investments	130,254	127,997
Accrued income	832	-
Money on deposit (Iceberg)	791	854
Amounts due (to)/from British Homeopathic Association	(914)	678
	<hr/>	<hr/>
Balance of Fund's assets at 31 August 2004	130,962	129,529
	<hr/>	<hr/>

The funds held as at 31 August 2004 were £130,254 in investments that have not been included in the British Homeopathic Association's accounts.

The British Homeopathic Association also paid for £5,413 expenses on behalf of the Kadleigh committee the balance (£914) of which is outstanding as at 31 August 2004 and is included within debtors in the accounts.

(iii) The British Homeopathic Association is the trustee of the Hahnemann House Trust (Registered Charity No 252702).

At the financial year ended 31 August 2004, the net assets of the Hahnemann House Trust were £ 461,435 (2003: £459,742). The net incoming resources for the year were £1,692 (2003: £14,253 outgoing resources).

The Hahnemann House Trust is not incorporated within the financial statements of the British Homeopathic Association

18 Future Legacies

As at 31 August 2004, there had been notification of the following legacies:

- Tom Howlett Bennett
- Mrs Ivy Eileen Broadbent
- Janet Marie Bye
- Mabel Thelma Mary Done
- Mrs Sheila Barbara Perigal
- Lydia Scarff
- Violet Ethel Smillie
- Mrs Renee Nellie Woods

19 Pension

The British Homeopathic Association contributes to individual defined contribution schemes at the rate of 8% of salary. The pension cost charge represents contributions payable by the British Homeopathic Association to these schemes and amounted to £5,001 (2003: £10,240)

20 Operating leases

Annual commitments under operating leases are as follows:

Equipment	2004	2003
	£	£
Amounts falling due within 1 year:	640	-
Amounts falling due within 5 years:	-	640