

COUNSEL AND CARE

Advice and help for older people

ACCOUNTS 31 DECEMBER 1996

together with Council's and Auditors' reports

Counsel and Care for the Elderly
a company limited by guarantee

Twyman House, 16 Bonny Street, London NW1 9PG
Company No. 645708. Registered Charity No. 203429



Counsel and Care for the Elderly

Report of the Council (continued)

Financial results (continued)

Legacies received during the year amounted to £128,803 compared with £148,235 in 1995. In an attempt to even out the effect of fluctuations of legacy income, 80% of such income received each year is appropriated to a Legacy Fund and one quarter of such appropriations is released to the General Fund in each of the following four years. As a result of the higher level of legacy income in prior years, there was a net transfer out of the Legacy Fund this year of £23,596 and on this basis the resources held in the General Fund fell by £52,530 before investment losses.

At 31 December 1996, reserves amounted to £260,952 and, in addition, the charity held funds of £84,440 provided by other organisations and agencies to be spent as determined by those organisations and agencies.

The Treasurer's Report in the Annual Report and Review expands on the financial results for the year.

Council members

The Members of the Council during the year, who are directors as defined by the Companies Act 1985, were as follows:

Mr Brian Dowling
Mr Oliver Rowell
Mr Derrick Mead LVO

Chairman
Deputy Chairman
Treasurer

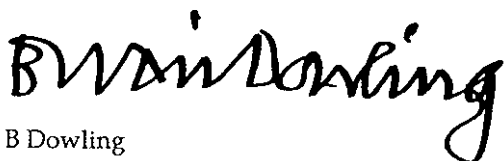
Mrs Valerie Barrow
Mr William Beale Collins (deceased 13 April 1996)
Mr Peter Eweje (resigned 5 June 1996)
Mr Peter Ferrari
Mrs Francoise Findlay
Mrs Moira Gibb
Mrs Joceline Graham
Dr Monica Greenwood
Mr Wally Harbert OBE

Miss Davina Hodson
Mr Zauhar Meghji
Mr Ewart Myer
Mrs Sylvia Quayle
Mrs Marjorie Saywood
Mr John Skinner
Dr Stephen Webster
Mrs Dorothy White OBE

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Council on 22 April 1997.



B Dowling
Chairman

Twyman House
16 Bonny Street
London NW1 9PG

Counsel and Care for the Elderly

Report of the Council

For the year ended 31 December 1996

Financial Statements

The Council presents its report and financial statements for the year ended 31 December 1996.

Responsibilities of Council Members

Company and charity law requires the Council Members, as trustees and 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 the results for that period. In preparing those financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council Members are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Objective and principal activities

The objective of the charity is to make available advice and practical help to older people, their carers and relatives. Its principal activities are the provision of an advice service and financial help for older people in care and at home, and the accessing of financial resources from other agencies. The charity also publishes reports, articles and leaflets, disseminates information, advises others who work with older people and promotes high standards of care and positive images of ageing.

A review of the work of the charity is contained in the Annual Report and Review for 1996/97.

Financial results

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting by Charities. During the year the resources held on Unrestricted Funds decreased by £76,126 before taking into account net investment losses of £13,784.

BINDER HAMLYN

20 Old Bailey
London EC4M 7BH

Auditors' report

To the members of Counsel and Care for the Elderly

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention, as modified by the revaluation of investments, and the accounting policies set out on pages 7 and 8.

Respective responsibilities of Council Members and Auditors

As described on page 1, the Council Members are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

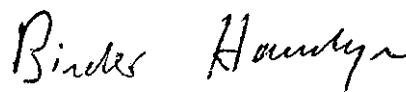
Basis of opinion

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 Council 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 company's state of affairs at 31 December 1996 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Binder Hamlyn

Chartered Accountants and Registered Auditors

22 April 1997

Counsel and Care for the Elderly

Statement of financial activities

Incorporating an income and expenditure account

For the year ended 31 December 1996

			Restricted funds			
	Notes	Unrestricted Funds £	Administered Grants £	Special Projects £	1996 Total £	1995 Total £
Incoming resources						
Donations and grants						
- unrestricted		214,468	-	-	214,468	235,827
- restricted		-	54,863	170,500	225,363	200,236
Legacies		128,803	-	-	128,803	148,235
Income from other sources	3	98,331	-	-	98,331	105,496
Total incoming resources		441,602	54,863	170,500	666,965	689,794
Resources used						
Direct Charitable Expenditure						
Advice work						
- Staff salaries and pensions	4	199,737	-	126,324	326,061	320,730
- Support costs	5	89,700	-	38,704	128,404	122,752
Grants and fees						
- Counsel and Care	6	7,414	-	-	7,414	19,620
- Administered Grants	6	-	52,663	-	52,663	45,302
		296,851	52,663	165,028	514,542	508,404
Other Expenditure						
Appeals						
- Staff salaries and pensions	4	88,550	-	-	88,550	88,140
- Support costs	5	18,530	-	-	18,530	20,707
Administration and finance						
- Staff salaries and pensions	4	41,772	-	-	41,772	41,547
- Other overheads	5	18,530	-	-	18,530	20,707
Fundraising and publicity		25,667	-	-	25,667	28,641
Central expenses	7	32,828	-	3,412	36,240	43,675
		225,877	-	3,412	229,289	243,417
Total resources used		522,728	52,663	168,440	743,831	751,821
		(81,126)	2,200	2,060	(76,866)	(62,027)
Reduction in provision for clients' grants and fees						
		5,000	-	-	5,000	-
Net (outgoing)/incoming resources for the year carried forward						
		(76,126)	2,200	2,060	(71,866)	(62,027)

Counsel and Care for the Elderly

Statement of financial activities (continued)

Incorporating an income and expenditure account

For the year ended 31 December 1996

	Unrestricted Funds £	Restricted funds Administered Grants £	Special Projects £	1996 Total £	1995 Total £
Net (outgoing)/incoming resources for the year brought forward	(76,126)	2,200	2,060	(71,866)	(62,027)
Gains and losses on investments					
Unrealised	(6,400)	-	-	(6,400)	22,560
Realised	(7,384)	-	-	(7,384)	(74)
Net movement in funds	(89,910)	2,200	2,060	(85,650)	(39,541)
Funds at 1 January 1996	350,862	45,153	35,027	431,042	470,583
Funds at 31 December 1996	260,952	47,353	37,087	345,392	431,042

All operations of the company continued throughout both periods and no operations were acquired or discontinued.

The company has no other recognised gains and losses other than those stated above. The deficit for the year for Companies Act 1985 purposes would include realised losses on investments and would be £79,250 (1995: £62,101).

Counsel and Care for the Elderly

Balance sheet

31 December 1996

	Notes	Unrestricted Funds £	Restricted funds Administered Grants £	Special Projects £	1996 Total £	1995 Total £
Fixed assets						
Tangible assets	8	23,476	-	7,636	31,112	37,216
Investments	9	159,333	-	-	159,333	357,454
		<u>182,809</u>	<u>-</u>	<u>7,636</u>	<u>190,445</u>	<u>394,670</u>
Current assets						
Stock		12,550	-	-	12,550	14,182
Debtors	10	39,249	-	-	39,249	33,155
Cash at bank and in hand		<u>61,523</u>	<u>52,064</u>	<u>29,451</u>	<u>143,038</u>	<u>30,101</u>
		113,322	52,064	29,451	194,837	77,438
Creditors: amounts falling due within one year	11	<u>(30,179)</u>	<u>(4,711)</u>	<u>-</u>	<u>(34,890)</u>	<u>(31,066)</u>
Net current assets		<u>83,143</u>	<u>47,353</u>	<u>29,451</u>	<u>159,947</u>	<u>46,372</u>
Total assets less current liabilities		265,952	47,353	37,087	350,392	441,042
Provision for liabilities and charges	12	<u>(5,000)</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(10,000)</u>
Net assets		<u>260,952</u>	<u>47,353</u>	<u>37,087</u>	<u>345,392</u>	<u>431,042</u>
Funds employed		<u>260,952</u>	<u>47,353</u>	<u>37,087</u>	<u>345,392</u>	<u>431,042</u>

The financial statements on pages 4 to 14 were approved by the Council on 22 April 1997.

B Dowling

B Dowling
Chairman

D F Mead

D F Mead
Treasurer

Counsel and Care for the Elderly

Notes to the financial statements

1 Company status

Counsel and Care, whose full title is Counsel and Care for the Elderly, is a registered charity and a company limited by guarantee and does not have a share capital. It is licensed by the Secretary of State for the Department of Trade and Industry to omit the word "limited".

2 Accounting policies

a) Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investments.

The financial statements, incorporating a Statement of Financial Activities, have been prepared in accordance with the Statement of Recommended Practice: Accounting by Charities and applicable accounting standards, except for legacy income which is included on a received basis.

b) Fund accounting

General unrestricted funds comprise accumulated surpluses and deficits on general funds and the cumulative realised and unrealised gains and losses on investments. They are available for use at the discretion of the Council in furtherance of the general charitable objectives of Counsel and Care.

Designated funds are amounts which have been set aside at the discretion of the Council. The Legacy Fund is presently the only designated fund. In an attempt to even out the effect of fluctuations in legacy income, 80% of such income received each year is appropriated to the Legacy Fund, and one quarter of the amount appropriated is released to the General Fund in each of the following four years.

Restricted funds are funds subject to specific conditions imposed by the donors.

c) Administered Grants and Special Projects

The company administers funds on behalf of other charities and trusts and carries out special projects specifically funded by other organisations. The sums received are treated as restricted funds and are credited to the Statement of Financial Activities upon receipt. Interest earned on unexpended funds is treated as a contribution towards core activities.

d) Incoming resources

Incoming resources from donations and grants are treated as income when the funds are received, unless the existence of a legal binding commitment warrants the receivable basis to be applied. Legacies are also treated as income when the funds are received; it is considered impracticable to apply the receivable basis by reason of delays in notification of legacies and uncertainty as to values. Other income is generally included on a receivable basis.

Income from legacies includes, where applicable, income earned during the period of administration of the testator's estate.

Counsel and Care for the Elderly

Notes to the financial statements (continued)

2 Accounting policies (continued)

e) Resources used

Expenditure, other than fundraising, publicity and central expenses, is divided between advice work, appeals and administration and finance. This is allocated on an actual basis or, where this is not possible, on an estimated usage basis.

Expenditure is stated net of any VAT that is recoverable.

f) Pension costs

The charge to the Statement of Financial Activities represents contributions payable to personal pension schemes.

g) Depreciation

Depreciation is computed, from the month of purchase, on the cost of each asset at the following annual rates:

Leasehold improvements	- 10%
Furniture and fittings	- 20%
Computer and office equipment	- 25%

h) Investments

Investments are stated at market valuation. Gains and losses, both realised and unrealised, are dealt with in the Statement of Financial Activities.

i) Stocks

Stocks of publications are stated at the lower of cost and net realisable value.

j) Provision for clients' grants and fees

As part of its activities, the company pays nursing home fees to or on behalf of clients and makes single need payments to older people at home. Whilst the company has not entered into any legally binding commitments to continue to pay these grants and fees, the Council considers that a provision should be made to enable the cost of such services to be funded for a period of at least six months.

k) Cash flow statement

A cash flow statement has not been prepared as the company has taken advantage of the small companies' exemption afforded by Financial Reporting Standard No.1.

Counsel and Care for the Elderly

Notes to the financial statements (continued)

3 Income from other sources

	1996 £	1995 £
Interest on deposits	3,413	3,038
Investment income	23,239	33,933
Publications	33,474	37,461
Fees for conferences and training	34,103	19,297
Other activities	4,102	11,767
	<u>98,331</u>	<u>105,496</u>

4 Employment costs

	1996 Number	1995 Number
The average number of employees during the year was as follows:		
Advice work	13	14
Appeals	3	3
Administration and finance	5	5
	<u>21</u>	<u>22</u>
Employee costs during the year were:		
	£	£
Salaries	402,737	400,885
Social security costs	39,931	40,017
Pension costs	13,715	9,515
	<u>456,383</u>	<u>450,417</u>

When appropriate, employee costs of the administration and finance department have been allocated to the advice work and appeals departments. Total employee costs have been allocated in the statement of financial activities as follows:

	£	£
Advice work	326,061	320,730
Appeals	88,550	88,140
Administration and finance	41,772	41,547
	<u>456,383</u>	<u>450,417</u>

The earnings of only one employee exceeded £40,000 and fell within the £50,000 - £60,000 band.

The directors neither received nor waived any emoluments during this year or the prior year.

Counsel and Care for the Elderly

Notes to the financial statements (continued)

5 Overhead expenditure

	1996 £	1995 £
Expenditure on overheads is made up as follows:		
Rent, rates and maintenance of premises	67,318	66,131
Light and heat	2,693	2,782
Printing and stationery	39,126	36,327
Telephone and postage	17,777	16,182
Maintenance of computer and office equipment	12,887	18,251
Travelling expenses	10,864	8,570
Staff recruitment and development	12,341	13,619
Other expenditure on special projects	2,458	2,304
	<u>165,464</u>	<u>164,166</u>

This expenditure has been allocated as set out in note 2(e) as follows:

Advice work - support costs	128,404	122,752
Appeals - support costs	18,530	20,707
Administration and finance	18,530	20,707
	<u>165,464</u>	<u>164,166</u>

6 Grants and fees

	1996 £	1995 £
Counsel and Care:		
Nursing home fees	6,244	13,366
Single need payments	1,170	6,294
'Care at Home' grants	-	(40)
	<u>7,414</u>	<u>19,620</u>
Administered Grants:		
Nursing home fees	29,907	22,097
Single need payments	22,756	23,245
'Care at Home' grants	-	(40)
	<u>52,663</u>	<u>45,302</u>

Counsel and Care for the Elderly

Notes to the financial statements (continued)

7 Central expenses

	1996 £	1995 £
Depreciation	14,880	18,184
Write down of fixed assets	-	6,646
Professional fees	2,065	2,500
Auditors' remuneration		
- audit fees	8,710	8,098
- non audit fees	2,480	1,621
Sundries	8,105	6,626
	<u>36,240</u>	<u>43,675</u>

8 Tangible fixed assets

	Leasehold improvements £	Furniture and fittings £	Computers and office equipment £	Total £
Cost or valuation				
1 January 1996	34,133	46,108	107,470	187,711
Additions	8,040	665	71	8,776
Assets no longer in use	-	(35,861)	(12,400)	(48,261)
31 December 1996	<u>42,173</u>	<u>10,912</u>	<u>95,141</u>	<u>148,226</u>
Accumulated depreciation				
1 January 1996	26,361	42,903	81,231	150,495
Charge for the year	3,815	1,369	9,696	14,880
Assets no longer in use	-	(35,861)	(12,400)	(48,261)
31 December 1996	<u>30,176</u>	<u>8,411</u>	<u>78,527</u>	<u>117,114</u>
Net book value				
31 December 1996	<u>11,997</u>	<u>2,501</u>	<u>16,614</u>	<u>31,112</u>
31 December 1995	<u>7,772</u>	<u>3,205</u>	<u>26,239</u>	<u>37,216</u>

Certain leasehold improvements and some computer equipment have been financed by outside funders as individual projects. The net book value of these assets at 31 December 1996 amounted to £7,636 (1995: £7,024) and has been included within restricted funds in the balance sheet.

Counsel and Care for the Elderly

Notes to the financial statements (continued)

9 Investments

	1996 £	1995 £
Listed investments		
Fixed interest stocks at market value		
1 January 1996	357,454	359,845
Disposal proceeds	(184,337)	(24,877)
Net realised loss	(7,384)	(74)
Disposals at book value	(191,721)	(24,951)
	165,733	334,894
Net (losses)/gains on revaluation at year end	(6,400)	22,560
31 December 1996	159,333	357,454

The investments at 31 December 1996 were acquired at a cost of £174,796 (1995: £374,812).

10 Debtors

	1996 £	1995 £
Income tax recoverable	5,065	2,092
Other debtors	2,567	1,464
Prepayments and accrued income	31,617	29,599
	39,249	33,155

11 Creditors: amounts falling due within one year

	1996 £	1995 £
Social security and other taxes	11,879	10,212
Accruals	23,011	20,854
	34,890	31,066

12 Provision for liabilities and charges

	1996 £	1995 £
Provision for clients' grants and fees		
1 January 1996	10,000	10,000
Transfer to unrestricted funds	(5,000)	-
31 December 1996	5,000	10,000

Counsel and Care for the Elderly

Notes to the financial statements (continued)

13 Unrestricted funds

	General Fund £	Legacy Fund £	Total £
1 January 1996	83,045	267,817	350,862
Net movement in Unrestricted Funds during the year	(89,910)	-	(89,910)
Appropriations between Legacy Fund and General Fund in respect of:			
- Prior years' legacies	126,638	(126,638)	-
- 1996 legacies	(103,042)	103,042	-
31 December 1996	<u>16,731</u>	<u>244,221</u>	<u>260,952</u>

Appropriations to and from the Legacy Fund are made in accordance with the policy set out in note 2(b).

14 Restricted funds

	Balance 1 January 1996 £	Income 1996 £	Total Grant £	Expenditure 1996 £	Balance 31 December 1996 £
Special projects					
Capital projects	6,761	5,000	11,761	4,125	7,636
Elder abuse	5,500	-	5,500	5,500	-
Ethnic minorities	5,450	14,500	19,950	11,337	8,613
Advice service	1,300	66,250	67,550	67,550	-
Quality of Care in Homes	-	56,250	56,250	50,272	5,978
Graham Lecture	96	6,000	6,096	6,457	(361)
Fact sheets and publications	18,000	13,000	31,000	15,779	15,221
Income generation	(2,080)	5,000	2,920	2,920	-
Training in Scotland	-	4,500	4,500	4,500	-
	<u>35,027</u>	<u>170,500</u>	<u>205,527</u>	<u>168,440</u>	<u>37,087</u>
Administered grants	<u>45,153</u>	<u>54,863</u>	<u>100,016</u>	<u>52,663</u>	<u>47,353</u>
	<u>80,180</u>	<u>225,363</u>	<u>305,543</u>	<u>221,103</u>	<u>84,440</u>

Counsel and Care for the Elderly

Notes to the financial statements (continued)

15 Financial commitments

	1996 £	1995 £
Capital commitments		
At 31 December 1996, the Council had placed orders for capital expenditure as follows:	-	7,500
Operating leases		
Annual commitments under non-cancellable operating leases are as follows:		
Land and buildings		
Expiry date after five years	<u>£47,881</u>	<u>£47,881</u>

16 Acknowledgement of grants

The following are grants received during 1996 which the company wishes to record individually.

Department of Health

Awarded under Section 64 of the Health

Services and Public Health Act 1986	(1)	Towards the cost of the advice service	<u>£46,250</u>
	(2)	Project grant towards the Quality of Care in Homes Programme	<u>£56,250</u>

Disclosure of the following local authority grants is in accordance with Section 37 of the Local Government and Housing Act 1989.

London Borough Grants Unit	(1)	Applied as a contribution to the costs of providing the advice service to older people, their carers and relatives in Greater London	<u>£20,000</u>
	(2)	Applied for provision of disability access toilet	<u>£5,000</u>

Scottish Office

Awarded under Section 9 of the Social Work (Scotland) Act 1968

Applied for training projects in Scotland	<u>£4,500</u>
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