

**MDF THE BIPOLAR ORGANISATION
(LIMITED BY GUARANTEE)**

1955570

**FINANCIAL STATEMENTS
31ST MARCH 2007**

**Foot Davson
Chartered Accountants
17 Church Road
Tunbridge Wells
Kent. TN1 1LG**

WEDNESDAY



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COMPANIES HOUSE

MDF THE BIPOLAR ORGANISATION

FINANCIAL STATEMENTS 31ST MARCH 2007

Chief Executive	Kate Schroder
Groups and Self Management Director	Jeremy Bacon
Director, MDF The BiPolar Organisation, Cymru	Colin Williams
Directors (trustees)	Helen Waygood Chair Kevin Benfield Vice Chair Shirley Williams Brian Johnston Adrian Sebastian Treasurer
Company secretary	Dave Pugh
Registered Auditors	Foot Davson Chartered Accountants 17 Church Road Tunbridge Wells Kent TN1 1LG
Bankers	National Westminster Bank plc 5 Market Place Kingston Upon Thames Surrey KT1 1JX
Solicitors	Carter Bells Kings' Stone House 12 High Street Kingston Upon Thames KT1 1HD
Registered Office	Castle Works 21 St George's Road London SE1 6ES
Registered in England No	1955570
Charity Registration No	293340

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MDF THE BIPOLAR ORGANISATION

REPORT OF THE TRUSTEES

The Members of the Board of Trustees have pleasure in presenting their report and the audited financial statements of the company for the year ended 31st March 2007

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal Activity

MDF The BiPolar Organisation is a charity and limited company governed by a Memorandum and Articles of Association. Paragraph A3 of the Memorandum of Association states the Organisation is established to support and promote the health, well-being and welfare of people experiencing or having experienced bipolar disorder (manic depression). We work to achieve this objective by helping people with bipolar disorder, their relatives, friends and others who care, educating the public and caring professions about the illness, encouraging research into methods of treatment, and by lobbying for change amongst planners and decision makers.

We provide a national network of self-help groups, a range of publications about the condition and relevant issues, self management training courses, employment and career advice, a 24 hour telephone advice line on legal, debt, state benefit and employment issues, training and support around debt management and avoidance issues, travel insurance and life assurance. The charity has its main office in London and a Wales office in Newport. In addition, there is a sister organisation in Scotland, called the Bipolar Fellowship Scotland with which we have reestablished close working contact.

Trustees (being the directors of the company and members of the Board of Trustees)

The Board of Trustees who have acted during the year under review were

Dave Pugh*-	Chair, resigned 20 th January 2007 and remains a trustee
Helen Waygood*	Chair from 20 th January 2007
Kevin Benfield**	Vice Chair
Jane Wheelock*	Vice Chair, resigned 29 th September 2006
Tony Harvey	resigned 7 th November 2006
Amy Meadows+	resigned 18 th October 2006
Shirley Williams-	
Brian Johnston	from 20 th January 2007

* Members of the Executive Sub-Committee

- Members of the Finance & Fundraising Sub-Committee

+ Members of the Publications Group

Members of the Board of Trustees

The Board of Trustees is appointed from the membership of the Organisation with additional Trustees being co-opted to fill vacancies or for their specialist skills or knowledge. Trustees are recruited against adopted Trustee Job Descriptions and Person Specifications and a full Trustee Skills Analysis was undertaken in March 2007 to be revisited at least annually. Trustees attend an open day to learn about the trustee role and responsibilities prior to appointment, and to receive information about the Organisation. This information includes the Memorandum and Articles of Association and recent audited accounts. Once appointed, trustees receive a package of background information, including previous minutes of meetings and some standard policies and procedures. Trustee training by an external trainer is incorporated in each annual strategy review.

MDF THE BIPOLAR ORGANISATION

REPORT OF THE TRUSTEES (Cont)

The Board has an active sub-committee

- The Executive Sub-Committee

It is planned that new sub-committees will be launched following an extensive round of Trustees recruitment planned for June 2007, these notably being

- The Finance & Fundraising Sub-Committee
- The Publications Group
- The Legal Group

At its AGM on 20th January 2007, new Trustees were confirmed in post for three years. Trustees whose term of office had come to an end were confirmed in post for a further three years, subject to the maximum term of six consecutive years.

The Executive Sub-Committee

The Executive Sub-Committee meets when necessary between Board meetings to make decisions on key non-operational personnel issues and to give rapid decisions, reporting back on its activities to the Board. In the year to 31 March 2007, the Executive Sub-Committee met several times in order to recruit a new CEO and to establish appropriate policies and remit associated with this post.

The Finance & Fundraising Sub-Committee

The Finance & Fundraising Sub-Committee was established as a result of our strategic planning conference held in October 1998. It was set up to monitor our progress against budget and to agree a fundraising strategy. This function was merged into Board meetings during a stage of Trustee recruitment undertaken between December 2006 and March 2007, with some small completion works expected to continue into the early months of the new financial year 2007/08. The Finance & Fundraising Sub-Committee has suffered as a result of the small size of the Board, pre-recruitment of new Trustees. A new Trustee, Brian Johnston, was recruited to the Board during the year under review.

The Publications Group

The Publications Group was set up following the strategy review meeting in September 2003. Its purpose is to ensure that the Organisation provides a comprehensive, high quality and clearly identifiable range of publications that meet the needs of people affected by bipolar disorder. New publications will be developed, and existing publications reviewed and revised, in a systematic way. During the Trustee recruitment stages this process was merged into the main Board with additional skills being accessed via one of the charity's established group of Guarantors carrying the role of Pendulum editor, Michel Syrett.

Risk

The Board of Trustees has identified the major risks to which the charity is exposed. These have been reviewed and we have established systems both to mitigate those risks and to ensure regular monitoring, assessment and review. During the last quarter of the financial year under review, the risk assessment and management processes were further strengthened giving a new focus to financial and income generating activities which were incorporated into the interim CEO role.

OBJECTIVES AND ACTIVITIES

MDF The BiPolar Organisation is the user-led mental health charity run by and for people affected by bipolar disorder (manic depression) We work to enable people affected by bipolar disorder to take control of their lives

We aim to do this by

- Providing services to members to enable them to take control of their lives
- Influencing key policy makers and service deliverers at national, regional and local levels to ensure policies and services best meet the needs of all those who are affected by bipolar
- Strengthening two-way communications with our members to ensure that policies, positions and services reflect the views and meet the needs of our members
- Establishing and monitoring referral pathways helping members to access new forms of support not otherwise available

MDF The BiPolar Organisation was established on the principle of self-help This has remained at the core of our mission throughout our existence and underpins the work that we do The current services that we offer are

- A national network of self-help groups
- Self management training programmes
- Literature about the condition
- Employment, legal, state benefits and debt advice
- Travel insurance and life assurance schemes
- A quarterly journal for all members and a regular journal for readers living in Wales
- Money Matters, training and awareness-raising about financial issues
- Employment related support – retention and recruitment
- Education and training of professionals
- Interactive website
- Volunteering opportunities in the office for people with the diagnosis
- An introduction to partnering organisations specialising in other types of opportunities

We have also been established on a principle of inclusiveness, that is we exist for all those who are affected by bipolar, whether those people experience bipolar directly, or are close to someone with the diagnosis, including as a partner, a carer, a work colleague or manager We also provide information and education for those who have a professional interest in bipolar

The Organisation has continued in its core activities of supporting and developing its nationwide network of self-help groups, sending out information packs, issuing literature, issuing the quarterly Journal Pendulum, to our members, running self management courses and offering employment advice, remove

New funding was obtained from a range of supporters and special thanks is given to Garfield Weston Charitable Trust, The Tudor Trust, The Mary Kinross Charity and Comic Relief without whom our work would not have been on course to develop during the early months of the new financial year

We continued our relationships with regular funders of our work in England and Wales, and of our work as a whole Thanks are given to all of our supporters and also to those in Wales including the Welsh Assembly Government and the Big Lottery Cymru

ACHIEVEMENTS AND PERFORMANCE

Self-help Groups

Our self-help group network is an essential part of our work. The groups are usually the first places that people who have been diagnosed with bipolar disorder can talk openly about the condition with the support of others with similar experiences. There are 136 self-help groups throughout England and Wales and supporting those groups and the volunteers who run them is a priority for the charity.

The self-help group network continues to grow and develop. Whilst monthly meetings vary in style and content from group to group, all maintain common themes:

- Access to detailed information about bipolar disorder,
- A confidential environment for members to discuss issues and benefit from each others' experiences,
- Ideas and support in making informed choices about managing bipolar disorder

That groups are run on a voluntary basis by and for people with bipolar, their relatives and friends, speaks volumes for the benefits that facilitators and members get from meeting. As well as holding meetings, group facilitators give considerable time and energy to planning meetings and events, fundraising and advertising.

All groups now have remote access to a dedicated page on the MDF Bipolar Organisation website. In addition the basic information about meeting dates and times, groups can add further details of specific meetings and events. During the 12 months to 31st March 2007 the site had 140,000 unique hits and is increasingly a source of enquiry about local groups.

All groups have been allocated 0845 local call rate numbers. Whilst primarily useful for National and Wales office administration, there are advantages to groups with regard to privacy of private numbers.

Five new groups were supported to start meetings in England and a further four in Wales. In England new groups were in North Tyneside, Manchester, Worcester, Middlesbrough and Southampton (young persons). The four new groups in Wales were Telfi Valley, Cardigan, Newport and Dolgellau.

In addition to regular monthly meetings, MDF BiPolar self-help groups have been taking part in a variety of events and activities.

The opportunity for group co-ordinators to meet one another and share ideas and experiences on a range of issues such as advertising meetings, raising funds and managing the monthly meetings remains a valued source of support and development. Regional network meetings have continued to strengthen the sense of the groups forming a "network", and communication between groups continues between meetings.

The interaction amongst groups has been particularly appreciated by newer groups who benefit from the support and experience of long-standing self-help group facilitators.

Our work in this area has been supported in Wales by the Big Lottery Cymru and we are working with focus to secure long term and sustainable methods of funding in both Wales and in England for our work including self-help groups.

MDF THE BIPOLAR ORGANISATION

REPORT OF THE TRUSTEES (Cont)

Membership Services

While the charity exists to serve all those diagnosed with and affected by bipolar disorder, we encourage individuals to become members because of the services that we can then provide. At 31 March 2007 there were 4993 members of the Organisation. The services that we provide include travel insurance and life assurance to address the exclusion from general services experienced by people affected by bipolar disorder.

The Members Assistance Programme (a 24 hour Legal Advice Service covering general legal, employment, state benefit and debt) has become an integral part of our core services. The number of people who directly benefited from the service throughout the year includes members from England, Scotland, Northern Ireland and Wales.

During the year, calls received can be analysed by subject including social security, 13%, employment, 23%, debt (including credit card, mortgage and store card debt), 10%, and general legal enquiries, 11%. The remaining calls received were on 25 other categories of enquiry including personal injury, criminal law, motoring, litigation, local authorities, property rights, and marital relationships. Approximately 30% of calls were received in the evening or at night with the rest being received during the day.

The Freespirit Travel Insurance Scheme has over 350 participants throughout the year and offers travel insurance worldwide. Prices are competitive with other insurers even though policies cover the pre-existing condition of bipolar disorder, although it should be noted that costs of all travel insurance is currently high in pace with a number of external issues although a full review of the viability and need for this service is planned for mid 2007.

Life Assurance services are available to our members through David Young of St James's. We are delighted to be able to offer this important facility for our members, and its conversion rate remains around 30%.

Raising Awareness

One of our prime commitments is to provide information about bipolar disorder and to raise awareness. During the latter part of the year under review, we have developed our contacts and profile with central government, resulting in participation in the all-party House of Commons working party relating to health, communities and housing. We have continued our involvement with the other organisations working on the Mental Health Act including MIND. We have begun to consider appropriate ways of meeting identified need in Northern Ireland, with some initial contacts with organisations located in Belfast including The Law Centre. We renewed contact with The BiPolar Fellowship Scotland resulting in the agreement to publish its work in a later edition of Pendulum.

We negotiated participation in a new documentary by BSKYB in the autumn of 2007.

We continue to make presentations at conferences about our work, and to provide training for mental health professionals, including sessions for the Employment Tribunal Service.

The Self Management Training Programme

A further 120 people have been through the programme. The numbers of people going through the programme during the year is low, but represents an increase on the last few years.

MDF THE BIPOLAR ORGANISATION

REPORT OF THE TRUSTEES (Cont)

Demand continues to be high from our membership, and a range of potential new opportunities are being identified for the enhancement of existing services and the launch of new ones. An established target of running a minimum of ten programmes a year through supporting self-help groups to obtain funding to purchase courses, has been met, and we are continuing to work with focus to establish available funding from a variety of sources including local health trusts to increase the numbers of courses purchased from this source.

A development day for self management facilitators was held in September 2007 and ten new facilitators were trained.

We have developed a fully tailored Money Matters self-help programme which has been added to our website, see below.

Steady

The Steady programme has suffered disruption as a result of staff illness and departure and was merged with other work as a means of sustaining support to members during a difficult period. An up to date assessment of member needs and modern models for programme delivery are planned for late 2007.

Money Matters

Money management is a key area of concern for people with the diagnosis and this can often affect their health and the family and/or carers on whom they come to rely. Evidence over the years has shown that, when depressed, members can be forgetful about settling bills, anxious about financial stability, and often reluctant to spend money. However, when "high" they will often be generous beyond their means with money and gifts, convinced that getting more money will be easy, and likely to make impulsive, expensive purchases without consulting family or carers. This can lead to serious problems with debt, relationship and security, often leaving the person in an almost untenable position. Financial recovery can take years and has a direct bearing on an individual's health. Banking and financial institutions develop new products and methods of dealing with customs experiencing problems and this programme was in need of a major review which was completed in March 2007. A new programme was developed and added to the website in the opening months of the new financial year.

Our project is developing and delivering a service, for MDF membership, which

- Encourages members to look at their personal financial situation and help provide solutions to money management issues
- These solutions, designed on prevention measures, will provide
 - educational materials
 - control mechanisms
 - structured financial planning
 - crisis management planning to cover for periods of illness, work towards securing better future financial security

During our first year of this project we achieved the following elements of the year two workplan

Provision of seminar and workshops – this element of the work was delivered via our self-help group framework and was introduced to new members at our national conference in October 2006.

The online toolkit was revised, produced, discussed with external partners and added to the website in the early months of the new financial year.

Member take-up was monitored and early signs are very positive indeed.

Feedback and satisfaction surveys for continuous improvement are in place.

Literature searches, research carried out to establish content inclusion.

REPORT OF THE TRUSTEES (Cont)

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MDF THE BIPOLAR ORGANISATION

REPORT OF THE TRUSTEES (Cont)

Interest in the subject has continued to be high and the tool kit has benefited from the introduction of active and real-time case studies. Since the method of delivery is centrally located there are no geographical barriers to participation.

Publications and Administration

Both of our offices continue to handle increasing levels of demand for support and it is recognised that capacity must build if the charity is to keep pace with request for support. In the year ended 31st March 2007 the National Office sent out 3,450 information packs, and 600 orders for books were filled. In addition over 8,750 telephone calls and 5,500 e-mails were received.

In Wales, over 2,100 telephone calls were received from all sources.

With an ever increasing number of people using the internet, it is vital that MDF The BiPolar Organisation provides a usable, reliable and accessible website. Our website was updated in March 2007 following the identification of specific funding to this purpose. Member forums for on line participation was enhanced and the Money Matters programme was added during the latter months of the financial year. Our role as a top ten mental health charity is further awarded first place for website accessibility and usability.

Our Wales website has suffered from ongoing technical issues and is being revised at the time of writing.

Strategic Planning

The Organisation prepares its strategy on a triennial basis, with annual reviews. April 2006 saw the second year of a three year strategy, with the first year focusing on consolidation, in particular on securing funding for core services. We have prepared a three year business plan to support the implementation of the new strategy. In between our triennial strategic planning conferences, we hold annual strategy reviews, and we originally reviewed the initial implementation of the strategy at a meeting in September 2005 with further meetings taking place throughout the financial year under review. As it became clear that the charity was entering a difficult financial stage, in the middle of the financial year 2006/07, an agreed period of consolidation was interrupted in order to work to bring new and external methods of securing funding necessary to short term survival and longer term development. In December 2006 the CEO and Development Director resigned and some additional savings were made as the charity's financial position became increasingly difficult. In Spring 2007 an interim CEO with substantial skills and experience of finance and income generating work in the third sector was appointed. By the close of the financial year sufficient funds had been identified to close in a satisfactory position and by the early months of the new financial year 2007/08, substantial reserves both restricted and unrestricted, had been secured.

FINANCIAL REVIEW

The income and expenditure of the Organisation for the year is set out in the Statement of Financial Activities (SoFA) on page 14. This shows that we received £11,608 less in restricted grants than we spent during the year, and that our general expenditure exceeded our general income by £17,843. As a result, the charity made a deficit in the year of £29,451. This deficit is attributable to the receipt of grants in the previous financial year for expenditure on projects during this financial year.

Donations and General Income

We have continued to work hard across the financial year under review within a closing and increasingly competitive market, to increase our general income, however the result of this work was disappointing with a decrease of £30,373. It became clear that resources including those relating to the CEO of the charity would in future need to be more closely aligned to income generation, a strategy proving to be remarkably successful during the early months of the new financial year 2007/08.

We accept that we may need to review the membership charge in pace with the growing number of requests for support and the decision to concentrate on sustaining enhanced services whilst developing user share across the geographic area we serve. Our costs relating to high quality publications, for instance, fails to meet the costs of delivery and this must be addressed too in the new financial year 2007/08 alongside a qualitative review of all our leaflets and publications.

Grants

Our grant income for the last financial year has fallen again from £495,470 to £464,234. However, this trend has come to a welcome close in the early months of the new financial year 2007/08 with a dramatic increase in new funds secured.

Expenditure on Restricted Funds

The expenditure on restricted funds of £329,245 (last period £354,584) reflects the cost of programmes funded by specific grants. There is inevitably a time lag between our receiving the funding and our running the programme, however this issue has been met and dealt with by the new CEO during the opening stages of the new financial year 2007/08. The year under review will however show that there was an overspend on restricted funds during the year (of £11,608), which is covered by the restricted funds brought forward from the last financial year for project expenditure during the year. It also is the reason for the restricted funds balance at the end of the year (£85,994), which is the balance of grants received before 31st March 2007 to be spent in the current year.

Other Expenditure

The proportion of our income spent on salaries increased during the year until the departure of several members of staff during a difficult period for the charity, facilitated a review of roles and necessary skills. Due to the effects of unplanned external media activity mid-year we did not need to work to raise profile, rather we were subjected to a sustained and impacting increase in the demand for support from new and existing members. The effects of this event will be carried into future financial years and our efforts will be refocused away from publicity and towards service delivery and capacity building.

Reserves

The balance of restricted funds represents the unspent balance of grants that the Organisation received to spend in programmes agreed with the donor at the time of the grant or where the Organisation has received funds the use of which is restricted in some other way.

Unrestricted funds are those which the Organisation are free to use in any way to further the objects of the charity.

In line with best practice, the accounts of the Organisation show that some of the unrestricted funds have been set aside for specific purposes and are therefore shown separately as Designated Funds instead of general funds. These funds remain part of the unrestricted funds of the Organisation as there are no external limitations on the use of these funds and the Organisation could decide at a future date to use them differently.

MDF THE BIPOLAR ORGANISATION

REPORT OF THE TRUSTEES (Cont)

The Designated Funds have been set aside to use in certain ways and are therefore not currently available for general spending

The policy of the Organisation is that, while the Organisation has a duty to use the donations that we are given, we should like to build a certain level of reserves to provide us with security. During the financial year under review this has not been possible but the adopted budget for the new financial year supports the growth of both capacity to serve the members and build reserves. The balance of unrestricted reserves held should cover approximately six months of our unrestricted costs. The Board of Trustees considers this a suitable level of reserves for the charity to maintain, and it is a cause for concern that at the end of the financial year this has not been fully achieved. However all indications are that the results of the new financial year will meet this need fully.

The deficit in our General Funds at the close of the financial year under review reflects the growth in volume of the activities of the Organisation, combined with an ongoing difficulty in achieving continuation funding necessary to all that we undertake. As a summary, the undesignated element of this, the unrestricted or the general funds, by the end of the year closed at a deficit £4,041. It was possible to close in a fully operational and solvent manner, allowing the charity to open in the new financial year with successful methods of securing new income whilst managing resources more efficiently. The budget for the new financial year 2007/08 has met these issues and all indications are of great success.

FUTURE DEVELOPMENTS

In the next financial year, we shall work to develop ways of securing income necessary to our work whilst building the capacity to meet identified needs of the membership. It has been agreed that all other work will take lower levels of priority. Within this framework the staffing and volunteer teams will undergo training as a means of supporting a modern approach to multi-skilled charity, financial and service management. A strengthened method of financial systems will be established although some substantial gains have been made in this regard during March 2007.

Volunteers and Staff

Finally and most importantly the Organisation gratefully acknowledges the important contribution made to our activities by volunteers, of whom there are too many to mention individually, and our staff. Our volunteers carry out invaluable work including running our self-help groups, organising discussion meetings, facilitating self management training courses and in our offices contributing to accountancy and administration duties. Without them, the Organisation would not be as effective and we owe them our thanks.

The staffing team depleted during the latter part of the financial year under review although its work continued without interruption and new forms of income generation and financial management were successfully introduced. Whilst many organisations state that their staff are their greatest assets, that this charity has achieved so much with so few, is indeed the greatest accolade. It is truly thanks to their efforts, together with those of our volunteers including the Trustees of the charity, that MDF The BiPolar Organisation has the national reputation that we continue to enjoy.

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

Company law requires the Trustees 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 profit or loss of the company for that period. In preparing those financial statements, the Trustees 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

MDF THE BIPOLAR ORGANISATION

REPORT OF THE TRUSTEES (Cont)


The Trustees 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.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of Foot Davson, Chartered Accountants, as auditors to the company was put to the Annual General Meeting on 18th November 2006 and was passed unanimously. In accordance with modern charity management conditions the continuing appointment of the auditors will depend upon the pre-negotiation of satisfactory fees and working arrangements, to be tested each three-year period. This arrangement rightly supports the growth of the knowledge base between the participating organisations whilst providing best value.

A resolution proposing the reappointment of Foot Davson, Chartered Accountants, as auditors to the company will be put to the Annual General Meeting.

Approved by the Board of Trustees on 19th January 2008 and signed on its behalf by


Trustees (Chair)

HELEN WAYGOOD



ADRIAN SEBASTIAN

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MDF THE BIPOLAR ORGANISATION

We have audited the financial statements of MDF The BiPolar Organisation for the year ended 31st March 2007 set out on pages 15 to 24. These financial statements have been prepared in under the historical cost convention and in accordance with the accounting policies set out in the notes to the accounts.

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

Respective responsibilities of the Board of Trustees and auditors

As described in the Statement of Trustees' Responsibilities, the charity's trustees who are also the directors of MDF The BiPolar Organisation for the purposes of company law are responsible for the preparation of the financial statements in accordance with applicable law and the United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Report of the Board of Trustees 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 opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Accounting 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 judgments made by the Board of Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MDF THE BIPOLAR ORGANISATION**

Opinion

In our opinion the financial statements -

- give a true and fair view in accordance with the United Kingdom Generally Accepted Accounting Practice, applicable to Smaller Entities of the state of the Charity's affairs as at 31st March 2007, 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 Companies Act 1985

17 Church Road
Tunbridge Wells
Kent
TN1 1LG

Foot Davson

Foot Davson
Chartered Accountants

29th January 2008

MDF THE BIPOLAR ORGANISATION

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST MARCH 2007**

Incorporating the Income and expenditure account	Notes	Unrestricted	Restricted	2007	2006
		Fund	Funds	Total	Total
		£	£	Funds	Funds
				£	£
INCOMING RESOURCES	1(d)				
Incoming resources from generated funds					
Voluntary Income					
- Grants and donations	14	178,039	286,195	464,234	495,470
- Self-help groups	3	30,100	31,442	61,542	64,665
Investment income					
- Bank interest		1,665	-	1,665	1,691
Total resources from generating funds		209,804	317,637	527,441	561,826
Incoming resources from charitable activities					
Subscriptions		59,166	-	59,166	45,991
Publications		15,331	-	15,331	13,218
Total incoming resources from charitable activities		74,497	-	74,497	59,209
Other incoming resources		118,426	-	118,426	84,511
Total incoming resources		402,727	317,637	720,364	705,546
RESOURCES EXPENDED					
Cost of generating funds					
Cost of generating voluntary income		24,702	7,655	32,357	33,193
Charitable Expenditure					
Project support		335,761	280,281	616,042	596,981
Expenditure of self-help groups		11,912	28,299	40,211	49,887
Publicity expenses		36,569	13,010	49,579	50,880
Total charitable expenditure		384,242	321,590	705,832	697,748
Governance costs		11,626	-	11,626	8,925
Total resources expended	5	420,570	329,245	749,815	739,866
Net outgoing resources for the year		(17,843)	(11,608)	(29,451)	(34,320)
Fund balances brought forward at 1 st April 2006		57,316	97,602	154,918	189,238
Fund balances carried forward at 31st March 2007		£ 39,473	£ 85,994	£125,467	£154,918
		=====	=====	=====	=====

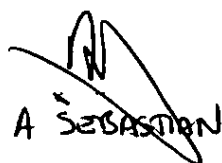
MDF THE BIPOLAR ORGANISATION

**BALANCE SHEET
AS AT 31ST MARCH 2007**

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible fixed assets	6	15,151	21,938
CURRENT ASSETS			
Stocks		11,775	13,307
Debtors	7	57,552	95,699
Cash at bank		154,405	104,190
		<u>223,732</u>	<u>213,196</u>
CREDITORS Amounts falling due within one year	8	<u>(113,416)</u>	<u>(80,216)</u>
NET CURRENT ASSETS		110,316	132,980
NET ASSETS		<u>£125,467</u> =====	<u>£154,918</u> =====
Represented by			
FUNDS			
Restricted Funds	9	85,994	97,602
Unrestricted Funds	10		
General funds		(4,041)	26,332
Designated funds		43,514	30,984
		<u>39,473</u>	<u>57,316</u>
		<u>£125,467</u> =====	<u>£154,918</u> =====

The financial statements have been prepared in accordance with the special exemptions applicable to small companies conferred by Part VII to the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Approved by the Trustees and signed on its behalf by


A SEBASTIAN

Trustee

19 January

2008

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2007

1. ACCOUNTING POLICIES

a) **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), Financial Reporting Standard for Smaller Entities (effective January 2005) and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are as follows

b) **Consolidation of self-help groups**

The Organisation had 136 (2006 137) local self-help groups affiliated to the Charity at the Balance sheet date of which 136 (2006 137) groups had signed the annual Group Agreement Forms this year to provide accounting information for consolidation. 78 of the 136 (2006 102 of the 137) local self-help groups have provided accounting information for consolidation and these groups' transactions have been included within these accounts. Self-help groups are deemed to be branches of the Charity under the definition of the SORP.

c) **Fund accounting**

General funds are available for use at the discretion of the trustees in furtherance of the objects of the Organisation.

Designated funds comprise general funds which have been set aside at the discretion of the trustees for specific purposes.

Restricted funds are funds subject to restrictive conditions imposed by sponsors or by the purpose of the appeal.

d) **Incoming resources**

All income is accounted for on a receivable basis. Grant income is recognised in accordance with the terms of the grant and when the conditions of receipt have been complied with.

e) **Resources expended**

All expenses are accounted for on an accruals basis. The majority of costs are directly attributable to specific activities. Certain shared costs including staff and office costs are apportioned to activities in furtherance of the objects of the charity. The apportionment has been calculated by analysing the usage of the building between direct charitable activities and activities relating to the management and administration of the charity. This ratio has then been applied to the overheads to provide an equitable basis for the analysis of expenditure.

f) **Depreciation**

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected economic lives as follows

Computer and office equipment - 3 years
Website - 5 years

NOTES TO THE FINANCIAL STATEMENTS (Cont)
FOR THE YEAR ENDED 31ST MARCH 2007

g) Stocks

In addition to producing our own information, MDF The BiPolar Organisation purchases publications and other materials for resale. Stocks represent the value of such goods held at the year end at the lower cost and net realisable value.

h) Pension

Contributions were paid on behalf of employees into their personal pension schemes and are charged to the Statement of Financial Activities in the year in which they become payable. No further liabilities accrue to the charity other than these payments.

2. STATUS

The company is a company limited by guarantee, not having a share capital, and has approval to omit the word "Limited" from its name. The company is a registered charity and receives the taxation benefits accorded to charities.

3. VOLUNTARY INCOME**Self help groups**

The reason income from self help groups is variable is because not all self-help groups complete returns each year, as specified in the agreement. The additional income included this year is due to the difference between the self-help groups bank balances as included in the previous year's accounts and the opening balances or returns for this financial year amounted to £20,947.

4. GOING CONCERN

The financial statements which show net outgoing resources for the year of £17,843 and a net deficit on general reserves of £4,041 and have been prepared on a going concern basis. The Trustees are actively reviewing other appropriate sources of funding both public and private which will substantially reduce the deficit and result in an improved level of liquidity in general reserves.

5. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other costs £	Total 2007 £	Total 2006 £
Project support	269,387	9,733	282,160	561,280	543,367
Expenditure of self-help groups	-	-	40,211	40,211	49,887
Fundraising	23,786	-	8,571	32,357	33,193
Publicity	26,429	-	18,743	45,172	46,311
Support	29,073	-	30,096	59,169	58,183
Governance	-	-	11,626	11,626	8,925
	<u>348,675</u>	<u>9,733</u>	<u>391,407</u>	<u>749,815</u>	<u>739,866</u>

No employee earned more than £60,000 per annum (2006 none). No members of the Board of Trustees received any remuneration, including honoraria, from the Organisation during the period. During the period £1,057 (2006 £1,247) was reimbursed to 8 (2006 7) trustees for travelling and postage expenses they had incurred.

MDF THE BIPOLAR ORGANISATION

**NOTES TO THE ACCOUNTS (Cont)
AS AT 31ST MARCH 2007**

	2007 £	2006 £
5. TOTAL RESOURCES EXPENDED (cont)		
Staff costs:		
Wages and salaries	312,917	306,019
Social security costs	30,626	29,664
Pension costs	5,132	11,212
	<u>£348,675</u>	<u>£346,895</u>
	=====	=====
Other costs include:		
Membership assistance programme	24,700	19,750
Rent and rates	84,603	75,377
Printing, stationery & duplicating	16,770	17,231
Postage	10,511	8,807
Conference & seminar expenses	19,599	13,592
Self-help group expenditure	40,211	49,887
Self management programme	2,745	17,452
Travel & subsistence	30,689	31,226
Other costs	161,579	146,528
	<u>£391,407</u>	<u>£379,850</u>
	=====	=====

Included within Resources expended is auditors' remuneration of £7,050 (2006 £8,225)

The average number of employees analysed by function, was	No	No
Project support	8	13
Fundraising & publicity	1	3
Management and administration	2	2
	<u>11</u>	<u>18</u>
	=====	=====

MDF THE BIPOLAR ORGANISATION

**NOTES TO THE FINANCIAL STATEMENTS (Cont)
FOR THE YEAR ENDED 31ST MARCH 2007**

6. TANGIBLE FIXED ASSETS	Computer and office equipment £	Web site £	Total £
Cost			
At 1 st April 2006	82,295	31,556	113,851
Additions	1,428	1,518	2,946
At 31 st March 2007	<u>83,723</u>	<u>33,074</u>	<u>116,797</u>
Depreciation			
At 1 st April 2006	76,919	14,994	91,913
Charge for the year	4,280	5,453	9,733
At 31 st March 2007	<u>81,199</u>	<u>20,447</u>	<u>101,646</u>
Net book value			
At 31 st March 2007	£ 2,524	£ 12,627	£ 15,151
	=====	=====	=====
At 31 st March 2006	£ 5,376	£ 16,562	£ 21,938
	=====	=====	=====
7. DEBTORS	2007 £		2006 £
Grants notified for the year	41,988		50,809
Other debtors	5,022		22,770
Prepayments	10,542		22,120
	<u>£ 57,552</u>		<u>£ 95,699</u>
	=====		=====
8. CREDITORS · Amounts falling due within one year			
Trade creditors	54,912		37,770
Taxation and social security	12,679		9,600
Accruals	45,825		32,846
	<u>£113,416</u>		<u>£ 80,216</u>
	=====		=====

9. MOVEMENTS IN RESTRICTED FUNDS

Restricted Funds

Purposes of restricted funds

Group Support are grants given to develop and support our nationwide network of self-help groups

Self Management Programmes are grants given to deliver and evaluate our self management programme across England and Wales

Steady (Support and Training for Elation and Depression in Youth)

Comprises grants given to support a young person's self management and befriending support programme. A vocational guidance element is being developed for inclusion with the self-management training

Education and Awareness comprises a range of grants to improve and develop the advice and information we deliver. It includes a grant from the Community Fund to prepare information and advice for employment advisers, and from the Department of Health to revise, upgrade and expand our range of publications

Money Matters comprises grants given to develop financial literacy and management training for people who are affected by bipolar disorder, to combat the difficulties faced by many as a result of debt, loss of income and living on benefits

BME Membership Officer is a grant from the Department of Health to enable us to develop and support BME membership

Research consists of the Joan Searle Legacy which is held on behalf of the trustees of the Joan Searle Legacy to administer for a research project into manic depression being conducted by Professor Jan Scott at the Institute of Psychiatry

Self-help Groups are grants held by our nationwide network of self-help groups to conduct their work

Wales are grants received by MDF The BiPolar Organisation, Cymru for their work

MDF THE BIPOLAR ORGANISATION

**NOTES TO THE FINANCIAL STATEMENTS (Cont)
FOR THE YEAR ENDED 31ST MARCH 2007**

9 MOVEMENTS IN RESTRICTED FUNDS (Continued)

	At 1st April 2006	Income	Expenditure	At 31st March 2007
	£	£	£	£
Group Support:				
John Ellerman	-	34,830	11,610	23,220
The Sidbury Charitable Trust	-	2,000	2,000	-
Self Management Programme:				
Community Fund Wales				
Mr and Mrs J Jeffcoate	-	5,000	-	5,000
Goldsmith Livery company	3,000	-	3,000	-
Big Lottery Fund – online self management	-	21,331	21,331	-
Triangle Trust	7,382	-	7,382	-
Drapers Charitable Trust	5,700	-	5,700	-
Anonymous donations	-	7,000	7,000	-
STEADY.				
Bridge House Estates Charitable Trust	-	-	-	-
Mercers Charitable Trust	80	-	80	-
Mrs P Coghill	5,389	-	586	4,803
John M Yeomans	18,360	-	16,489	1,871
Pendulm Journal				
Sanopi – Pendulum	-	10,000	5,107	4,893
Education & Awareness				
Community Fund				
- employment training pack	-			
Department of Health - publication	-			
Money Matters				
Big Lottery	1,490	18,216	19,706	-
Friends Provident	-	14,701	14,701	-
Tudor Trust	15,750	-	15,750	-
Employment Advocacy				
Rayne Foundation	-	7,000	-	7,000
BME Membership Alliance				
Department of Health	-	30,000	30,000	-
Epigon Charitable Trust	-	-	-	-
Self-help Groups	36,064	31,442	28,299	39,207
Wales				
Wales Assembly Government	-	89,821	89,821	-
Community Fund	4,387	43,796	48,183	-
Wales Assembly Government Relocation Grant	-	2,500	2,500	-
Flintshire Education Project	-	-	-	-
	<u>£97,602</u>	<u>£317,637</u>	<u>£329,245</u>	<u>£85,994</u>

All restricted funds are represented by current assets

NOTES TO THE FINANCIAL STATEMENTS (Cont)
FOR THE YEAR ENDED 31ST MARCH 2007

10 UNRESTRICTED FUNDS

	General Funds £	Designated Funds £	Total Funds £
Balance as at 1st April 2006	26,332	30,984	57,316
Net outgoing resources for the year	(30,373)	12,530	(17,843)
Balance at 31 st March 2007	<u>£(4,041)</u> =====	<u>£43,514</u> =====	<u>£39,473</u> =====

The trustees have designated funds for Self-help Groups and Wales as follows

Self-help Groups	40,092
Wales	3,422
	<u>£43,514</u> =====

11. OPERATING LEASE COMMITMENTS

Amounts payable in the next year in respect of operating leases for the offices of the charity are as shown below, analysed according to the expiry date of the leases

On leases expiring:	2007 £	2006 £
Between 2 – 5 years	<u>68,800</u> =====	<u>68,800</u> =====

12. LIABILITY OF THE MEMBERS

The company is limited by guarantee. The maximum liability of each member, in the event of the company winding up is £1. The number of members is 4 (2006 - 4)

13. PENSION

The charity operates a defined contribution scheme. Pension costs of £5,132 (2006 £11,212) represents contributions paid by the charity all having been fully paid and charged in the Statement of Financial Activities

MDF THE BIPOLAR ORGANISATION

NOTES TO THE FINANCIAL STATEMENTS (Cont) FOR THE YEAR ENDED 31ST MARCH 2007

14 DONATIONS

The Organisation could not continue its work without the generous support of our donors. We are grateful to all of the organisations and individuals who make our activities possible. During this period our major donors included:

	2007 £	2006 £
Albert Hunt Trust	-	1,000
Big Lottery – Self Management	21,331	10,418
Big Lottery – Money Matters	18,216	13,201
Bridge House Estates	-	23,000
A & S H Burton 1960 Charitable Trust	10,000	10,000
Chalcroft Charitable Trust	-	2,525
Trevor Chinn – Stephen Fry appeal	1,000	-
Community Fund Wales Group Development	43,796	11,477
Community Fund Employment Training & Development	-	4,365
Department of Health – Membership Services Officer	30,000	30,000
Department of Health – Publications	-	30,000
Drapers Charitable Trust	-	6,192
Education Project, Flintshire	2,500	2,500
Epigon Charitable Trust	-	4,000
Eveson Charitable Trust	-	5,000
Foyle Foundation	-	20,000
Freshgate Foundation – SM training programme	1,000	-
Friends Provident – Money matters	14,701	-
Galliard Homes Limited	1,000	-
Garfield Foundation	-	50,000
Dr Kim Gilbert	-	5,000
Goldsmith Livery Company	-	3,000
Gordino Charitable Trust – SM training programme	1,000	-
Gwyneth Forester Charitable Trust	-	25,000
Homelands Charitable Trust	3,000	3,000
Mr and Mrs R Jeffcoate – SM training programme	5,000	-
Jesm Weir Charitable Trust	-	2,000
John Ellerman Foundation	34,830	-
John Lewis partnership	2,000	-
John M Yeomans	-	21,000
Del King – sponsored cycle	1,010	-
Mary Kinross Charity	16,000	16,000
Mercers Charitable Trust	-	7,000
Maureen Miron – Will	4,750	-
Moulton Charitable Trust – Steady	1,000	-
National Assembly for Wales	89,821	87,630
Norman Family Trust	-	1,000
Pilkington General Charity	-	1,000
The Rayne Foundation – Employment Advocacy Programme	7,000	-
Sanofi Aventis	15,000	-
The Sidbury Charitable Trust	2,000	2,000
Simon Whitbread Trust	-	2,000
SMB Charitable Trust	1,000	-
Steel Charitable Trust	-	2,500
Triangle Trust	-	7,382
Tudor Trust	-	25,000
Joyce G Williams – Will	62,000	-
White Consultants	1,000	-
W N Watson – Radio 4 Appeal	1,000	-
Other donors	73,279	61,280
	<u>£464,234</u>	<u>£495,470</u>
	=====	=====