

**MERCIA M S THERAPY CENTRE LIMITED**  
(Limited by Guarantee)

**DIRECTORS' AND TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2001**



Bishop Simmons  
Mitre House  
School Road  
Bulkington  
BEDWORTH  
Warwickshire  
CV12 9JB

**MERCIA M S THERAPY CENTRE**  
**(A Company Limited by Guarantee)**

**YEAR ENDED 31 DECEMBER 2001**

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**MERCIA M S THERAPY CENTRE**  
**(A Company Limited by Guarantee)**

**COMPANY INFORMATION – YEAR ENDED 31 DECEMBER 2001**

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<b>Chairman</b>	Mr G Bliss	
<b>Other Directors and Trustees</b>	Mr S Elcome Mr T Iles Mr W Blundell Mrs J Roberts	Mr M Reynolds Mr J Wastell Mrs S Fulford (Resigned) Mrs G Phythian Mrs S Swales
<b>Secretary</b>	Mr J Wastell	
<b>Treasurer</b>	Mr W Blundell	
<b>Registered Office</b>	8 Macefield Close Aldermans Green Industrial Estate Coventry CV2 2PJ	
<b>Registered Company Number</b>	2366441	
<b>Registered Charity Number</b>	701561	
<b>Bankers</b>	Barclays Bank plc Coventry	
<b>Accountants/Independent Examiners</b>	Bishop Simmons Mitre House School Road Bulkington BEDWORTH Warwickshire CV12 9JB	

**MERCIA M S THERAPY CENTRE**  
**(A Company Limited by Guarantee)**

**DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2001**

The Directors and Trustees present their report and accounts for the year ended 31 December 2001.

**The Board**

The Directors and Trustees are named on page 1. All board members retire at the AGM and being eligible, offer themselves for re-election. All of the board members are Trustees as well as Directors of the company and help in the administration of the company on a voluntary basis.

**Constitution, Objects and Policies**

The company is limited by guarantee and was incorporated under the Companies Act 1985. The company is a registered charity.

The principal activity of the company is to provide therapy and other services to people living with Multiple Sclerosis and other conditions, their relatives, carers and friends and to promote research to find the cause, cure and prevention of Multiple Sclerosis.

**Review of the Activities and Future Developments**

The Centre has had another successful year, with increased membership and the expansion of its therapy services.

Reflexology and Physiotherapy treatments continue to thrive. Reflexology has expanded into a further day per week and, as indicated in the year 2000 annual report, another physiotherapist has been recruited to cater for increased demand. Therapy will be further expanded by the introduction of yoga and massage during 2002.

During the year the oxygen chamber has been completely refurbished with new chamber chairs, flooring and complete cleaning and redecoration of the interior. A replacement compressor has been purchased with the old compressor now acting as a back up system.

**Financial Review**

With regard to the financial results incoming resources exceeded expended resources by £52,883 for the year. These excellent results are mainly due to the first year of the Lottery grant and the fund raising activities of our professional fund raiser.

The second year of the Lottery grant is only 70% of the amount received this year reducing to 40% in year 3. It is therefore essential that fundraising efforts are further increased and the annual target of £90,000 is achieved.

**MERCIA M S THERAPY CENTRE**  
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**DIRECTORS AND TRUSTEES REPORT FOR THE YEAR ENDED 31 DECEMBER 2001**

The management committee have recognized that the main risk to the continued financial viability of the Centre is the ending of the Lottery grant after 3 years without replacement funding. The professional fundraiser is aware of the risk and is taking all necessary steps to find the replacement funding. The present free reserves of £52,010 will assist in filling the forecasted funding gap in future years.

**Statement of Directors Responsibilities**

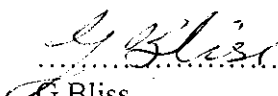
The Directors (as Trustees of the Centre) are required under the Charities Act 1993 to prepare financial statements for each financial year which give a true and fair view of the Centre's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Directors should follow best practice and:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- d) prepare any financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the Centre and which enable them to ensure that the financial statements comply with applicable law and regulations. They are also responsible for safeguarding the assets of the Centre and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Approval**

This report was approved by the Board and signed on their behalf.

  
G Bliss  
**Chairman**

12 March 2002

**MERCIA M S THERAPY CENTRE**  
**(A Company Limited by Guarantee)**

**Independent Examiner's Report to the Directors and Trustees  
of the Mercia M S Therapy Centre**

We report on the accounts of the Centre for the year ended 31 December 2001, which are set out on pages (5 - 14).

**Respective responsibilities of Trustees and Examiner**

As the charity's trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 43(2) of the Charities Act 1993 (the Act) does not apply. It is our responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under section 43 (7)(b) of the Act, whether particular matters have come to our attention.

**Basis of Independent Examiner's Report**

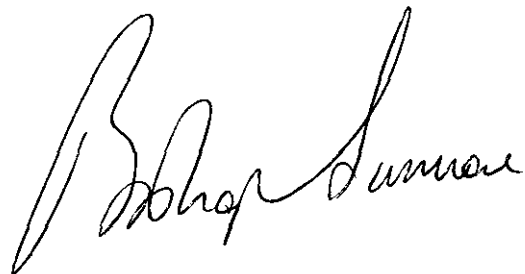
Our examination was carried out in accordance with the General Directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently we do not express an audit opinion on the view given by the accounts.

**Independent Examiner's Statement**

In connection with our examination, no matter has come to our attention.

- 1) which gives us reasonable cause to believe that in any material respect the requirements
  - a) to keep accounting records in accordance with section 41 of the Act;  
and
  - b) to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the Act
- 2) to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Bishop Simmons  
Chartered Accountants  
Mitre House  
School Road  
Bulkington  
BEDWORTH  
Warwickshire  
CV12 9JB



12 March 2002

**MERCIA M S THERAPY CENTRE**  
**(A Company Limited by Guarantee)**

**STATEMENTS OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2001**

	Notes	Restricted	Unrestricted	2001 Total	2000 Total
<b>INCOMING RESOURCES</b>					
HBO and other Therapy Income		-	22,028	22,028	19,939
Fund Raising and Donations	3	21,635	65,792	87,427	51,913
Special Events	4	-	2,459	2,459	8,528
Sundry Income and Consumables		-	449	449	465
National Lottery Grant		78,300	-	78,300	23,951
Investment Income	5	-	539	539	559
<b>TOTAL INCOMING RESOURCES</b>		<b>99,935</b>	<b>91,267</b>	<b>191,202</b>	<b>105,355</b>
<b>Cost of Generating Funds:</b>					
Fund Raising Costs	6	-	15,866	15,866	16,842
<b>Direct Charitable Expenditure</b>					
Centre Running Costs	8	17,213	37,054	54,267	43,254
Administration Expenditure	7	67,536	650	68,186	40,936
<b>TOTAL RESOURCES EXPENDED</b>		<b>84,749</b>	<b>53,570</b>	<b>138,319</b>	<b>101,032</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>15,186</b>	<b>37,697</b>	<b>52,883</b>	<b>4,323</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>		<b>713</b>	<b>15,453</b>	<b>16,166</b>	<b>11,843</b>
<b>TRANSFER FROM GENERAL FUND</b>		<b>1,140</b>	<b>(1,140)</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR</b>		<b>17,039</b>	<b>52,010</b>	<b>69,049</b>	<b>16,166</b>

There were no recognised gains or losses in 2001 or 2000 other than those included in the Statement of Financial Activities.

The notes on pages 8 to 14 form part of these Accounts.

**MERCIA M S THERAPY CENTRE**  
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**BALANCE SHEET 31 DECEMBER 2001**

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			2001 £	2000 £
FIXED ASSETS				
Tangible Assets	10		19,704	10,779
CURRENT ASSETS				
Stocks	11	804	1,737	
Debtors	12	2,642	1,633	
Cash at bank and in hand	13	49,678	24,957	
			<hr/>	<hr/>
		53,124	28,327	
CREDITORS: amounts falling due within one year	14	3,779	22,940	
			<hr/>	<hr/>
NET CURRENT ASSETS			49,345	5,387
			<hr/>	<hr/>
TOTAL ASSETS LESS LIABILITIES			69,049	16,166
			<hr/>	<hr/>
Financed By:				
RESERVES				
Restricted Income Funds	17		17,039	713
Unrestricted Funds			52,010	15,453
			<hr/>	<hr/>
			69,049	16,166
			<hr/>	<hr/>



**MERCIA M S THERAPY CENTRE**  
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**BALANCE SHEET – continuation 31 DECEMBER 2001**

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The directors have taken advantage of section 249A(1) of the Companies Act 1985 in not having these accounts audited.

The directors confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985

and they acknowledge their responsibilities for –

- i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Board on 12 March 2002 and signed on its behalf.

  
.....  
Treasurer: W Blundell

The notes on pages 8 to 14 form part of these accounts.

**MERCIA M S THERAPY CENTRE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001**

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**1. Accounting Policies**

**1.1 Basis of Preparation of Accounts**

The Accounts are prepared under the historical cost convention and include the results of the charity's operations which are described in the Directors and Trustees Report and all of which are continuing.

The Accounts have been prepared in accordance with the Statement of Recommended Practice for charity accounts.

The charity has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it qualifies as a small company.

**1.2 Tangible Fixed Assets**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets less estimated residue value, over their expected useful lives at the following rates:

Plant, machinery, fixtures and fittings – 10% straight line

Office equipment, furniture and computers – 25% straight line.

**1.3 Income**

Voluntary income and donations and grants are accounted for as received by the charity. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs. No permanent endowments have been received in the period. Gifts in kind are included as donations at market value at the time of receipt. The value of services provided by volunteers has not been included.

**1.4 Value Added Tax**

Value Added Tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

**MERCIA M S THERAPY CENTRE**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001**

**1.5 Fundraising Costs**

Fundraising expenditure comprises costs incurred in inducing people and organisations to contribute financially to the charity's work. This includes the cost of advertising for donations and the staging of special fundraising events.

**1.6 Pension Scheme**

The company operates a defined contribution pension scheme. The amount of contributions paid in the year is charged against income received in the year.

**1.7 Operating Leases**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

**1.8 Stock**

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

**1.9 Expenditure on Management and Administration of the Charity**

Administration expenses include all expenditure not directly related to the charitable activity or fundraising ventures. This includes administration staff costs.

**2 Operating Deficit**

The operating surplus is stated after charging the following:

	2001	2000
Depreciation	4,116	1,845
	<hr/>	<hr/>

**MERCIA M S THERAPY CENTRE**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001**

			<b>2001</b>	<b>2000</b>
	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
<b>3 Fundraising and donations</b>				
Donations from individuals including collections	-	45,697	45,697	30,194
Donations from Corporate sponsors and charitable trusts	21,635	16,971	38,606	19,168
Sales of Cards and Health Products	-	3,124	3,124	2,551
	<hr/>	<hr/>	<hr/>	<hr/>
	21,635	65,792	87,427	51,913
<b>4 Special Events</b>				
London Marathon	-	-	-	658
Fun Run/ Walkathon	-	2,329	2,329	299
Donkey Derby	-	-	-	257
Fashion Show	-	-	-	1,500
Snowdon	-	-	-	2,509
Parachute Jump	-	-	-	3,305
RSPCA Fete	-	130	130	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	2,459	2,459	8,528
<b>5 Investment Income</b>				
Bank and Building Society interest	-	539	539	559
<b>6 Fundraising Costs</b>				
Event costs - Parachute Jump	-	-	-	1,620
"T" Shirts	-	390	390	-
Leaflets and other costs	-	1,786	1,786	1,482
Advertising	-	-	-	284
Purchase of Cards and Health Products	-	3,423	3,423	2,425
Staff Salaries	-	-	-	8,365
Fundraising Agency Services	-	10,267	10,267	2,666
	<hr/>	<hr/>	<hr/>	<hr/>
	-	15,866	15,866	16,842
<b>7 Administration Expenditure</b>				
Staff salaries	53,987	-	53,987	33,694
Staff pension contributions	5,229	-	5,229	5,368
Federation fees	-	650	650	660
Accountancy fees	1,058	-	1,058	999
Cleaner	690	-	690	215
Agency Staff Costs	6,572	-	6,572	-
	<hr/>	<hr/>	<hr/>	<hr/>
	67,536	650	68,186	40,936
	<hr/>	<hr/>	<hr/>	<hr/>

**MERCIA M S THERAPY CENTRE**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001**

			<b>2001</b>	<b>2000</b>
<b>8</b>	<b>Centre Running Costs</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
	HBO and other direct therapy costs	6,660	14,283	20,943
	Rent	-	14,490	14,490
	Rates and water	-	1,750	1,937
	Light and heat	2,187	-	2,187
	Property repairs and maintenance	-	264	1,148
	Equipment repairs and maintenance	-	359	393
	Consumables	990	-	990
	Telephone	1,149	-	951
	Landlords service charges	-	712	585
	Postage	374	-	429
	Printing and stationery	1,824	2,282	775
	General insurance	1,260	-	1,126
	Cleaning and sundry expenses	285	-	445
	Bank charges	-	19	21
	Depreciation	1,381	2,735	1,845
	Travel expenses	465	-	341
	Training	638	-	220
	Advertising	-	160	164
		<hr/>	<hr/>	<hr/>
		17,213	37,054	54,267
		<hr/>	<hr/>	<hr/>
				43,254

HBO and other therapy costs exclude staff costs and overheads.

**9 Staff Costs**

No remuneration was paid to Trustees in the year. Travel expenses totalling £465 were reimbursed to staff and Trustees during the year. The staff costs were made up as follows:

	<b>2001</b>	<b>2000</b>
Salaries	49,381	38,901
Social Security costs	4,606	3,158
Pension Contributions	5,229	5,368
Agency Staff costs	6,572	-
	<hr/>	<hr/>
	65,788	47,427
	<hr/>	<hr/>

The average monthly number of staff employed by the charity during the year was as follows:

Administrative	3	2
Fund Raising	-	1
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>

**MERCIA M S THERAPY CENTRE**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001**

**10 Tangible Fixed Assets**

	Plant and Machinery	Fixtures & Fittings	Office & Computer Equipment	Total
	£	£	£	£
<b>COST</b>				
At Start	36,959	8,386	6,160	51,505
Additions	9,544	-	3,497	13,041
Disposals	-	-	(1,292)	(1,292)
	46,503	8,386	8,365	63,254
<b>DEPRECIATION</b>				
At Start	29,598	6,962	4,166	40,726
Charge for year	1,470	455	1,779	3,704
Disposals	-	-	(880)	(880)
	31,068	7,417	5,065	43,550
<b>NET BOOK VALUE</b>				
At Start	7,361	1,424	1,994	10,779
At End	15,435	969	3,300	19,704
			<b>2001</b>	<b>2000</b>
<b>11 Stocks</b>				
Stock on Hand			804	1,737
<b>12 Debtors</b>				
Prepayments and Accrued Income			2,642	1,633

**MERCIA M S THERAPY CENTRE**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001**

	2001	2000
<b>13 Cash at Bank and In Hand</b>		
Barclays Current Account	-	-
Barclays Premium Account	19,095	19,534
Coventry Building Society	30,533	5,373
Cash in Hand	50	50
	<hr/>	<hr/>
	49,678	24,957
	<hr/>	<hr/>
<b>14 Creditors: Amounts falling due within one year</b>		
Accruals	3,779	1,490
Deferred Income - National Lottery Grant – No. 2	-	18,950
- Coventry Building Society	-	2,500
	<hr/>	<hr/>
	3,779	22,940
	<hr/>	<hr/>

**15 Share Capital**

The Centre is a Company Limited by guarantee and does not therefore have a Share Capital.

**16 Commitments**

At 31 December 2001 the charity had annual commitments under an operating lease in respect of its premises. The lease expires in June 2003 and the annual rent payable is £14,490.

**MERCIA M S THERAPY CENTRE**  
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**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001**

**17 Restricted Funds**

The income funds of the Centre includes restricted funds comprising the following unexpended balances of grants held on trust to be applied for specific purposes.

	<b>Balances at 31/12/2000</b>	<b>Advanced in Year</b>	<b>Used in Year</b>	<b>Transfers from General Fund</b>	<b>Balances at 31/12/2001</b>
National Lottery Grant					
(No.2) - Revenue Grant	-	75,800	76,488	(688)	-
- Capital Grant	-	2,500	624	-	1,876
Other Grants	713	21,635	7,637	(452)	15,163
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	713	99,935	84,749	(1,140)	17,039
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Purposes of restricted funds:

The National Lottery Grant (No 2.) is to continue and expand upon the previous Lottery Grant to secure much of the revenue funding for the Centre over a three year period. The capital part of the grant is to finance computers and office equipment. The balance of the capital grant will fund future depreciation of that equipment.

Other grants have been received to mainly finance other capital equipment and training. The balances of the capital grants of £6,698 will fund future depreciation and maintenance whereas the balances of the revenue grants of £2,465 represents monies not yet expended.

**18 Analysis of Net Assets between Funds**

	<b>General Funds</b>	<b>Restricted Funds</b>	<b>Total Funds for year</b>
Tangible Fixed Assets	12,991	6,713	19,704
Current Assets	40,719	12,405	53,124
Current Liabilities	(1,700)	(2,079)	(3,779)
	<hr/>	<hr/>	<hr/>
	52,010	17,039	69,049
	<hr/>	<hr/>	<hr/>