

**CUMBRIA CEREBRAL PALSY
FINANCIAL STATEMENTS
31 MARCH 2008**

**Company Registration Number 5386416
Charity Number 1110076**



SAINT & CO
Chartered Accountants & Registered Auditors
Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

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**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered charity name	Cumbria Cerebral Palsy
Charity number	1110076
Company registration number	5386416
Registered office	22 Spencer Street Carlisle Cumbria CA1 1BG

Trustees	Mrs G Wykes Mr M T Thyne Mr A Taylor Mrs A J Carr Mr F Morgan Mr B Earley Mrs J Hine Mrs J McLauchlan Mr B Reville Miss C M Stevens Mrs G I C Whalley Miss K O'Beirne Major A J R Harrison Mr A Darroch Mr C Scott-Buccleugh Ms M McConochie
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Secretary	Ms Lynn Culley
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General manager	Ms L Culley
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Manager, Scalesceugh hall	Ms J Stewart
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Support work team leader	Mrs M Hopwood
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Auditor	Saint & Co Chartered Accountants & Registered Auditors Sterling House Wavell Drive, Rosehill Carlisle, Cumbria CA1 2SA
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Bankers	HSBC Plc English Street Carlisle Cumbria CA3 8JT
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Solicitors	Cartmell Shepherd Solicitors Rosehill Carlisle Cumbria CA1 2RW
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CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2008

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page - 1 - of the financial statements

THE TRUSTEES

The trustees who served the charity during the period were as follows

Mrs G Wykes
Mr M T Thyne
Mr A Taylor
Mrs A J Carr
Mr F Morgan
Mr B Earley
Mrs J Hine
Mrs J McLauchlan
Mr B Reville
Miss C M Stevens
Mrs G I C Whalley
Miss K O'Beirne
Major A J R Harrison
Mr A Darroch
Mr T Bingley
Mr C Scott-Buccleugh
Ms M McConochie

Mr T Bingley retired as a trustee on 13 October 2007

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Cumbria Cerebral Palsy is a company limited by guarantee incorporated on the 9th March, 2005 and registered as a charity on the 28th June, 2005. The company was established under a Memorandum and Articles of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association

Recruitment and Appointment of Trustees

There is a maximum of twelve elected trustees and eight Co-opted trustees. Elected trustees shall be elected or re-elected to a term of three years concluding at the third Annual General Meeting after their election. Any elected trustees retiring at any Annual General Meeting may, if willing to stand, be proposed for re-election.

Co-opted trustees shall not be required to retire by rotation but shall cease to hold office at the expiry of their specified term of office. Any vacancy arising amongst the trustees may be filled by resolution of the Board.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

Trustee Induction

Prior to election potential trustees complete an application form indicating the areas of the society's work they are particularly interested in and the skills they feel they can offer to the Board of Trustees. This is followed up with a meeting with the Chair and senior staff of the organisation for a general introduction to the work of the organisation which is followed up by an opportunity to meet existing Trustees. New and existing Trustees are given the opportunity to attend training courses usually organised by the voluntary sector within Cumbria. A policy setting out the procedures for the selection of Trustees is in place.

Organisational Structure

Cumbria Cerebral Palsy is an independent charity raising money to provide services for people with cerebral palsy and similar conditions primarily, but not exclusively, within Cumbria.

The Trustees are responsible for the overall management and control of the organisation and meet six times during the year to receive reports from the senior management team and other staff members and sub-committees. Extra meetings are arranged as and when required. The day to day management of the charity is delegated by the Trustees to the senior management team who report to the Trustees.

Trustees are sought in a variety of ways including recommendation from the branch network, from existing trustees and supporters. The Board of Trustees seek to ensure that the needs of the charity are appropriately reflected through the diversity of the trustee body.

The Board of Trustees delegates key areas of activity to sub-committees who submit reports to the Board. These committees have specific terms of reference and include co-opted members in addition to trustees.

The current sub-committees are -

Management Committee - the function of this committee is to have an overview of the strategies, policies and organisational operations of the charity and to ensure the effective management of the charity and its staff.

Support Work Action - has responsibility for overseeing the community work carried out by four part-time support workers throughout Cumbria and an information advisor who is based at the charity's head office. This committee meets bi-monthly and includes representation from the board of trustees, staff, and families who receive support from the organisation. This committee is chaired by Brian Earley, a CCP trustee.

Scalesceugh Hall Management - oversees the management of the charity's residential home, Scalesceugh Hall which provides accommodation for 27 residents with cerebral palsy but is registered for 32 places and 4 day care places. The home is registered with the Commission for Social Care Inspection. This committee meets bi monthly at Scalesceugh Hall and is chaired by Gill Wykes one of the charity's trustees.

Relocation Committee - responsibility for progressing plans to develop new housing schemes for the residents currently living at Scalesceugh Hall. This committee meets once a month and is chaired by Angela Carr, a trustee of Cumbria CP.

Related Parties

Cumbria Cerebral Palsy is affiliated to SCOPE for the purposes of sharing information and receiving up to date information and is in membership with various other organisations within Cumbria.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

Risk Management

Like many voluntary organisations it is not always possible to guarantee that income and expenditure will balance. However, the trustees have examined the major strategic, business and operational risks which face the charity and have established stringent systems to enable regular reporting so that the necessary steps can be taken to lessen these risks.

OBJECTIVES AND ACTIVITIES

The objects of Cumbria Cerebral Palsy are -

To promote the care and welfare of those with cerebral palsy and similar conditions, primarily, but not exclusively within Cumbria, by the provision of services, support and training to those individuals, including, but not restricted to services relating to health care, welfare, medical treatment, education, employment, accommodation and advice

The main objectives and activities for the year continue to focus upon supporting children and adults with cerebral palsy, their families and carers living in Cumbria. The strategies employed by the charity to meet these objectives include -

- provision of a county-wide support work service
- the provision of up to date information on disability issues
- provision of residential care for adults with varying degrees of cerebral palsy
- provision of day care places for people living at home
- working in partnership with other agencies, both statutory and voluntary, to ensure the widest range of services are available for individuals with a physical disability

ACHIEVEMENTS AND PERFORMANCE

Support Work and Information Service

The support work service offers confidential support to children and adults with cerebral palsy, their families and carers. Areas of work include support with educational issues, health matters, benefits advice, employment and money matters and regular contact with health and social services professionals wishing information on cerebral palsy. The support work team which comprises of 3 home based part time staff and 1 office based staff member, have an active caseload of 228 individuals/families spread over Cumbria as at 31st March, 2008 an increase of 14 new referrals made during the year.

The information advisor, who also works part-time, is based at the charity's head office. In the period covered by these accounts, 252 enquiries from individuals and 408 professionals were received with the bulk of these enquiries focussed on information regarding equipment and funding matters. This represents an increase of 59% and 178% respectively. A website giving information about the work of the charity has been well used with a total of 16497 visitors contacting the website. This compares with 8626 in the previous financial year. A newsletter is designed and produced in-house and is sent out to 228 clients, 165 professionals, CCP membership and staff to give updates on what's happening within Cumbria CP and disability issues.

Residential and Day Care Services

Scalesceugh Hall which is situated just outside of Carlisle, provides residential care for adults with cerebral palsy. The Manager, deputy manager and senior management team together with care staff work to provide residents with individual lifestyles and a high degree of choice in an open, responsive and flexible service. The home is registered with the Commission for Social Care Inspection. Staff turnover continues to be low and an established and experienced staff team are a positive feature of Scalesceugh Hall providing continuity of care for the residents.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

A day centre is attached to the residential facility and is available for residents and day attendees who live either at home, or independently in the Carlisle area. A wide range of activities are provided in consultation with the individual.

The Fundraising manager and Marketing officer, who both work part time, are part of Cumbria CP's team based at the head office in Spencer Street. Through the Marketing officer we have explored new income streams connected with recycling projects utilising our charity shops as "drop off" points. Our Fundraising manager continues to seek external income from a variety of sources and trusts and to encourage partnerships between the charity and local organisations to support our work. The Care Sector Alliance has financed training for care staff at our residential home and Social Enterprise has financed the training for our charity shop staff. Pupils at a local secondary school have fund-raised to support the Children's Resource Fund which provides monies to purchase specialised equipment for children up to 19 years of age. During the year, an Adult Resource Fund has been established and funded via specific donations.

Partnership Working/Information Sharing

The society maintains close working relationships with a number of agencies involved in providing support for people with cerebral palsy and similar disabilities. These include Cumbria Disability Network, Early Support Programme, Parent Partnership Support Groups, CACVS/Volunteer Bureaus, Every Child Matters, SureStart, Physiotherapists and Occupational Therapists, Children's Trust and Cumbrian Carer's Organisations.

Training

Funding for training has been externally sourced through the year from Awards for All who granted Cumbria CP £4,200 in March for training at Scalesceugh Hall which has enabled our staff to achieve higher qualifications. Through our registration as a social enterprise we were awarded £970.05 for fire warden training for all charity shop managers and assistant managers.

FINANCIAL REVIEW

The support work, information service and head office staff team are funded by the income generated from the charity's six voluntary fund-raising branches and five charity shops. The charity is aware of the difficulties of recruiting volunteers to fund-raise and has embarked on a programme of seeking external funding from a broader group of agencies, and the organising of higher profile fund-raising events to supplement this and raise the profile of the charity, coupled with registration with county-wide volunteer bureaus and national bodies which hold volunteer registers. Expenditure is tightly controlled and under constant review by the Board of Trustees.

The residential and day care services provided at Scalesceugh Hall are purchased by local authorities based on individual care profiles of client needs. As a result of increasing constraints on local authority expenditure, the charity has to seek funding from outside agencies in addition to diverting the income generated by two major fund-raising events held at Scalesceugh Hall and investments to supplement income. The past twelve months have produced many challenges and the organisation's financial position continues to cause concern with deficits eating into our reserves at an unsustainable rate. The Board of Trustees have advocated strong negotiation needs to take place with the various commissioners associated with Scalesceugh Hall and this has been delegated to a trustee and senior staff with significant experience in this area to move forward. Revised individual care costings have been completed for each resident living at Scalesceugh Hall and the process of renegotiating these has been started. It is crucial that Cumbria Cerebral Palsy achieves realistic levels of income from these sources by August 2008.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

Reserves

Cumbria Cerebral Palsy aims to retain sufficient free reserves to enable services to continue in the event of unsuccessful funding applications. Reserves are usually accumulated through legacies and Cumbria Cerebral Palsy has a policy of writing to firms of solicitors within Cumbria on an annual basis to request consideration be given to nominating the charity when their clients are considering making wills. This area has been developed by Cumbria Cerebral Palsy's marketing officer and the Board of Trustees but there is scope for further development during 2008/09.

Investment

The trustees have wide investment powers detailed in the Memorandum and Articles of Association. The charity has investment portfolios which are handled by Casenove and M and G Securities. The board may invest any money not immediately required for our objects in any investment or securities. However, the board will only invest having obtained appropriate advice and having regard to the suitability of investments. Our investments are held in a managed investment. They are made in order to generate income and capital growth in order to contribute to funding part of our expenditure on charitable activities. During 2007/08 the investments provided the expected return. The aim of the board is to enhance the value of capital and growth in income through the selection of appropriate investments.

During the financial year the board of trustees approved disposal of some investments to assist with the running costs of Scalesceugh Hall. This in turn will reduce the income from investments held. It is desirable that this situation is redressed but it is unlikely to happen until our relocation plans come to fruition. In the interim a strategy for legacy giving has been initiated.

Pensions

The accounts include the full adoption of accounting standard FRS 17. The Trustees have adopted the policy of Cumbria County Council in regard to pension deficits in repaying the current deficit in Cumbria CP's pension scheme over a 20 year period by varying the level of employer contributions. This position is reviewed on an annual basis and the extra costs are recovered as part of the care cost income.

PLANS FOR FUTURE PERIODS

The charity plans continuing the activities outlined above in the forthcoming year subject to satisfactory funding arrangements.

The plans to relocate our residents from Scalesceugh Hall are progressing. We have decided to adopt an "independent living model" which allows us the flexibility to work with Housing Associations who will help finance the new buildings in partnership with the society. These plans have been shown to and discussed with residents, their families and staff at Scalesceugh Hall. This will be a significant change in the way we provide care and will offer excellent levels of accommodation and ensure that individuals will be given every assistance to become as independent as possible, controlling their own lives and finances, within the community. A strong working partnership has been formed during the year with Cumbria County Council's Adult Social Care to help us achieve this outcome.

The Board of Trustees remains most grateful for the support that the charity receives from its patrons, staff, the volunteer members in its fund-raising Branches and Charity shops, and many individuals and organisations and trust funds.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2008

RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period.

In preparing these 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 charity will continue in operation.

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

In so far as the trustees are aware

- there is no relevant audit information of which the charity's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITOR

A resolution to re-appoint Saint & Co as auditor for the ensuing year will be proposed at the Annual General Meeting.

Registered office
22 Spencer Street
Carlisle
Cumbria
CA1 1BG

Signed on behalf of the trustees



Mr B Earley
Chairman

12 June 2008

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBRIA CEREBRAL PALSY YEAR ENDED 31 MARCH 2008

We have audited the financial statements of Cumbria Cerebral Palsy for the year ended 31 March 2008 on pages - 10 - to - 23 - which have been prepared under the historical cost convention and the accounting policies set out on pages - 13 - to - 15 -

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 TRUSTEES AND AUDITORS

The responsibilities of the trustees (who also act as directors of Cumbria Cerebral Palsy for the purposes of company law) for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities of the Trustees on pages - 6 - to - 7 -

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, and whether the information given in the Trustees Annual Report is consistent with the financial statements

In addition we report to you if, in our opinion, the charitable company 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 remuneration of the trustees and other transactions is not disclosed

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable 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

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBRIA
CEREBRAL PALSY
YEAR ENDED 31 MARCH 2008**

OPINION

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees Annual Report is consistent with the financial statements



Sterling House
Wavell Drive, Rosehill
Carlisle, Cumbria
CA1 2SA

SAINT & CO
Chartered Accountants
& Registered Auditors

12 June 2008

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 31 MARCH 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	2	62,396	774,252	836,648	842,952
Activities for generating funds	3	196,118	—	196,118	178,628
Investment income	4	13,814	489	14,303	9,686
Other incoming resources	5	(7,251)	956	(6,295)	—
TOTAL INCOMING RESOURCES		265,077	775,697	1,040,774	1,031,266
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	6	(159,219)	(863,520)	(1,022,739)	(983,670)
Fundraising trading cost of goods sold and other costs	7	(129,083)	—	(129,083)	(106,913)
Governance costs	8	(18,847)	(4,330)	(23,177)	(22,632)
TOTAL RESOURCES EXPENDED		(307,149)	(867,850)	(1,174,999)	(1,113,215)
NET OUTGOING RESOURCES FOR THE YEAR					
	9	(42,072)	(92,153)	(134,225)	(81,949)
Unrealised gain/(loss) on investments		(10,451)	—	(10,451)	12,122
NET EXPENDITURE FOR THE YEAR		(52,523)	(92,153)	(144,676)	(69,827)
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial (losses)/gains in respect of defined benefit pension schemes		(5,501)	(26,499)	(32,000)	61,000
NET MOVEMENT IN FUNDS		(58,024)	(118,652)	(176,676)	(8,827)
Carried forward		(58,024)	(118,652)	(176,676)	(8,827)

The notes on pages 13 to 23 form part of these financial statements

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE
INCOME AND EXPENDITURE ACCOUNT) *(continued)***

YEAR ENDED 31 MARCH 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Brought forward		(58,024)	(118,652)	(176,676)	(8,827)
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>318,873</u>	<u>(1,387)</u>	<u>317,486</u>	<u>326,313</u>
TOTAL FUNDS CARRIED FORWARD		<u>260,849</u>	<u>(120,039)</u>	<u>140,810</u>	<u>317,486</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

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The notes on pages 13 to 23 form part of these financial statements

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET

31 MARCH 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Tangible assets	12	312,324	306,015
Investments	13	124,438	216,133
		<u>436,762</u>	<u>522,148</u>
CURRENT ASSETS			
Stocks	14	2,163	2,163
Debtors	15	42,421	11,245
Cash at bank and in hand		4,505	16,038
		<u>49,089</u>	<u>29,446</u>
CREDITORS: Amounts falling due within one year	16	<u>(126,041)</u>	<u>(66,108)</u>
NET CURRENT LIABILITIES		<u>(76,952)</u>	<u>(36,662)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>359,810</u>	<u>485,486</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>359,810</u>	<u>485,486</u>
DEFINED BENEFIT PENSION SCHEME LIABILITY	17	<u>(219,000)</u>	<u>(168,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>140,810</u>	<u>317,486</u>
FUNDS			
RESTRICTED INCOME FUNDS:			
General funds	19	(93,540)	(51,364)
Pension reserve	17	<u>(26,499)</u>	<u>49,977</u>
TOTAL RESTRICTED INCOME FUNDS		<u>(120,039)</u>	<u>(1,387)</u>
UNRESTRICTED INCOME FUNDS:			
Unrestricted income funds excluding pension liability	20	266,350	307,850
Pension reserve	17	<u>(5,501)</u>	<u>11,023</u>
TOTAL UNRESTRICTED INCOME FUNDS		<u>260,849</u>	<u>318,873</u>
TOTAL FUNDS		<u>140,810</u>	<u>317,486</u>

These financial statements were approved by the members of the committee on the 12 June 2008 and are signed on their behalf by



Mr B Earley
Chairman

The notes on pages 13 to 23 form part of these financial statements

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, except for investments which are included at market value, and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 1985

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small

Donations

Donations, legacies and similar incoming resources are accounted for on a receipts basis unless it is reasonably certain that an amount will be received

Grants

Grants are accounted for on an accruals basis

Income from shops

Income from shops is accounted for on a receipts basis

Investment assets and income

Investments are stated at market value. Increases/decreases to the market value of the investments are taken through the statement of financial activities

Investment income is recognised in the accounts when it is received

Fund accounting

Income received for a purpose specified by the donor is accounted for as restricted to that purpose. Other income, not so specified, is treated as available for general purposes, or unrestricted

Cumbria Cerebral Palsy holds both undesignated and designated funds and has a policy in place to transfer from one fund to another when required to assist with operating procedures

Resources expended

Expenditure is included on an accruals basis. Where expenditure relates to a specific project in accordance with the wishes of the Donor it is shown as restricted

Fixed assets

All fixed assets are initially recorded at cost. Land and Buildings and major items of equipment are capitalised within these accounts

Fixed assets costing less than £300 are not capitalised, but written off to the Income and Expenditure Account as incurred

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	-	No depreciation has been provided
Development Costs	-	No depreciation has been provided
Fixtures & Fittings	-	Over 5 to 7 years
Motor Vehicles	-	Over 5 years
Building Expenditure	-	Over 12 to 15 years
Assets in the course of construction	-	No depreciation has been provided

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

Pension costs are accounted for by the charity in accordance with FRS 17 - Retirement Benefits

Under FRS 17, pension scheme assets are measured using fair values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

Any pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full and presented on the face of the balance sheet. The movement in the scheme surplus/deficit is split between operating and financing items in the profit and loss account and the statement of total recognised gains and losses.

The full service cost of the pension provision is charged to operating profit. The net impact of the unwinding of the discount rate on scheme liabilities and the expected return of the scheme assets is charged/credited to "other finance costs".

Any difference between the expected return on assets and that actually achieved is charged through the statement of total recognised gains and losses. Similarly, any differences that arise from experience or assumption changes are charged through the statement of total recognised gains and losses. The combined figure is commonly referred to as the actuarial gain/loss.

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES *(continued)*

Basis of allocation of costs to sofa

Direct Charitable Expenditure.

Direct charitable expenditure includes all costs associated with operating the primary activities of the charity

The costs include wages, food, activity and premises costs and directly attributable telephone and sundry costs, including depreciation on assets directly used for charitable purposes

Management and Administration Expenditure

This is expenditure not directly related to the charitable activities of the charity. It includes the cost of administration staff wages, running of the office and any legal fees and depreciation on office equipment

Value added tax

Value Added Tax is payable on certain shop income and is recoverable by the charity on shop and society purchases. Value Added Tax is not recoverable by the charity on Scalesceugh Hall, and as such is included in the relevant costs in the Statement of Financial Activities

2. VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Donations				
Subscriptions and donations	12,530	—	12,530	21,229
Collection boxes and dolls	6,063	—	6,063	3,545
Special efforts	28,734	—	28,734	23,822
Legacies				
Legacies	—	—	—	4,500
Gifts				
Minibus account income	—	269	269	7,037
Grants receivable				
Fees and grants	—	772,183	772,183	749,219
Other income				
Moneyspinner income	4,426	—	4,426	4,677
Childrens resource fund	3,784	—	3,784	2,840
Marketing income	677	—	677	16,745
Sundry income	6,182	1,800	7,982	8,838
Special appeals income	—	—	—	500
	<u>62,396</u>	<u>774,252</u>	<u>836,648</u>	<u>842,952</u>

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Shop Income	191,958	191,958	176,110
Rental income	4,160	4,160	2,518
	<u>196,118</u>	<u>196,118</u>	<u>178,628</u>

4. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Income from UK listed investments	13,345	489	13,834	8,681
Bank interest receivable	469	—	469	1,005
	<u>13,814</u>	<u>489</u>	<u>14,303</u>	<u>9,686</u>

5. OTHER INCOMING RESOURCES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Gains/(losses) on disposal of investments	(7,251)	956	(6,295)	—

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Donations	157,728	—	157,728	141,615
Grants	—	863,520	863,520	840,265
Childrens resource fund	1,491	—	1,491	1,790
	<u>159,219</u>	<u>863,520</u>	<u>1,022,739</u>	<u>983,670</u>

7. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	Unrestricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Shop costs	129,083	129,083	106,913

**CUMBRIA CEREBRAL PALSY
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

8. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Accountancy fees	3,946	—	3,946	3,953
Audit fees	9,750	—	9,750	9,750
Financial advice	4,438	—	4,438	3,141
Bank charges	197	1,846	2,043	788
Net finance costs in respect of defined benefit pension schemes	516	2,484	3,000	5,000
	<u>18,847</u>	<u>4,330</u>	<u>23,177</u>	<u>22,632</u>

9. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging

	2008 £	2007 £
Staff pension contributions	8,243	9,140
Depreciation	14,550	12,775
Auditors' remuneration		
- audit of the financial statements	9,750	9,750
Operating lease costs		
- Other	<u>3,681</u>	<u>4,135</u>

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2008 £	2007 £
Wages and salaries	768,391	725,814
Social security costs	54,533	52,466
Other pension costs	8,243	9,140
Other post-retirement benefit costs	39,000	30,000
	<u>870,167</u>	<u>817,420</u>

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance costs and other recognised gains and losses (see note 17)

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2008 No	2007 No
Number of provision of care staff	39	42
Number of fund-raising and publicity staff	6	6
Number of management and administrative staff	2	2
	<u>47</u>	<u>50</u>

**CUMBRIA CEREBRAL PALSY
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

10. STAFF COSTS AND EMOLUMENTS *(continued)*

No employee received emoluments of more than £60,000 during the year (2007 - Nil)

11. TRUSTEE REMUNERATION AND EXPENSES

No remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any trustee or to any person or persons known to be connected with any of the trustees

No reimbursement of expenses has been made or is due to be made to any of the trustees in respect of the year

12. TANGIBLE FIXED ASSETS

	Freehold Property & Development Costs £	Fixtures & Fittings £	Motor Vehicles £	Building Expenditure £	Assets in course of construction £	Total £
COST						
At 1 Apr 2007	233,369	18,410	31,961	38,711	–	322,451
Additions	–	10,348	–	–	10,511	20,859
At 31 Mar 2008	<u>233,369</u>	<u>28,758</u>	<u>31,961</u>	<u>38,711</u>	<u>10,511</u>	<u>343,310</u>
DEPRECIATION						
At 1 Apr 2007	–	4,300	8,523	3,613	–	16,436
Charge for the year	–	5,448	6,392	2,710	–	14,550
At 31 Mar 2008	<u>–</u>	<u>9,748</u>	<u>14,915</u>	<u>6,323</u>	<u>–</u>	<u>30,986</u>
NET BOOK VALUE						
At 31 Mar 2008	<u>233,369</u>	<u>19,010</u>	<u>17,046</u>	<u>32,388</u>	<u>10,511</u>	<u>312,324</u>
At 31 Mar 2007	<u>233,369</u>	<u>14,110</u>	<u>23,438</u>	<u>35,098</u>	<u>–</u>	<u>306,015</u>

13. INVESTMENTS

Movement in market value

	2008 £	2007 £
Market value at 1 Apr 2007	216,133	204,011
Disposals at opening book value	(81,245)	–
Net gains on revaluations in the year ended 31 March 2008	(10,450)	12,122
Market value at 31 Mar 2008	<u>124,438</u>	<u>216,133</u>
Historical cost at 31 Mar 2008	<u>106,477</u>	<u>187,722</u>

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

13. INVESTMENTS *(continued)*

Analysis of investments at 31 Mar 2008 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Listed investments				
UK Quoted Shares	<u>124,438</u>	<u>—</u>	<u>124,438</u>	<u>216,133</u>

14. STOCKS

	2008 £	2007 £
Stock	<u>2,163</u>	<u>2,163</u>

15. DEBTORS

	2008 £	2007 £
Trade debtors	16,475	10,354
Other debtors	946	891
Prepayments and accrued income	<u>25,000</u>	<u>—</u>
	<u>42,421</u>	<u>11,245</u>

16. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	53,322	—
Trade creditors	30,306	38,519
Amounts owed to associated undertakings	1,800	—
Amounts owed to undertakings in which the charity has a participating interest	18,000	—
Taxation and social security	18,992	17,820
Future Builders Grant	2,940	9,025
Other creditors	681	744
	<u>126,041</u>	<u>66,108</u>

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

17. PENSION COMMITMENTS

Cumbria Cerebral Palsy is an allocated part of Cumbria local government pension scheme which provides benefits based on final pensionable pay

Pension scheme assets are valued at market value at the balance sheet date

Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability

Any pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full and presented on the face of the balance sheet

Any movement in the scheme surplus/deficit in each year is charged/credited through either the statement of financial activities or in the case of actuarial gains and losses through the statement of total recognised gains and losses

The following information shows how the liability has arisen in the accounts and also shows the comparatives

The most recent full actuarial valuation was carried out on the 31st March, 2007 and updated on the 31st March, 2008 by a qualified independent actuary. The main financial assumptions used were as follows -

	2008	2007	2006
	%	%	%
Rate of increase in salaries	5.4	4.9	4.7
Rate of increase in pensions in payment	3.6	3.1	2.9
Discount rate	6.1	5.4	4.9
Inflation assumption	3.6	3.1	2.9

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting deficit are

	Long-term rate of return expected %	2008 Value £	Long-term rate of return expected %	2007 Value £	Long-term rate of return expected %	2006 Value £
Equities	7.5	418,000	7.5	441,000	7.0	409,000
Government Bonds	4.6	151,000	4.7	147,000	4.3	146,000
Property	6.5	56,000	6.5	62,000	6.0	52,000
Other Bonds	6.1	78,000	5.4	72,000	4.9	65,000
Cash/Liquidity	5.25	35,000	5.25	19,000	4.5	15,000
Other	7.5	23,000	7.5	1,000	7.0	-
Total market value of assets		761,000		742,000		687,000
Present value of scheme liabilities		(980,000)		(910,000)		(902,000)
Net pension liability		(219,000)		(168,000)		(215,000)

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

17. PENSION COMMITMENTS *(continued)*

An analysis of the movements in the deficit during the year are shown below

	2008	2007
	£	£
At 1 April 2007	(168,000)	(215,000)
Total operating charge	(39,000)	(30,000)
Total other finance cost	(3,000)	(5,000)
Actuarial (loss)/gain	(32,000)	61,000
Contributions	23,000	21,000
At 31 March 2008	<u>(219,000)</u>	<u>(168,000)</u>

An analysis of the amounts included in the statement of financial activities follows

Analysis of the total operating charge included in resources expended

	2008	2007
	£	£
Current service cost	29,000	30,000
Past service costs	10,000	—
Total operating charge	<u>39,000</u>	<u>30,000</u>

Analysis of the amount included in other finance cost

	2008	2007
	£	£
Expected return on pension scheme assets	47,000	40,000
Interest on pension scheme liabilities	(50,000)	(45,000)
Other finance cost	<u>(3,000)</u>	<u>(5,000)</u>

Analysis of the amount included in other recognised gains and losses

	2008	2007
	£	£
Actual return less expected return on pension scheme assets	(43,000)	4,000
Experience gains/(losses) arising on scheme liabilities	47,000	—
Gain/(loss) arising from changes in assumptions underlying the present value of scheme liabilities	<u>(36,000)</u>	<u>57,000</u>
Actuarial (loss)/gain	<u>(32,000)</u>	<u>61,000</u>

**CUMBRIA CEREBRAL PALSY
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

17. PENSION COMMITMENTS *(continued)*

A history of experience gains and losses is shown below

	2008	2007	2006	2005
Difference between the expected and actual return on scheme assets				
- amount (£)	(43,000)	4,000	86,000	(21,000)
- % of scheme assets	(5.7)	0.5	12.5	(3.8)
Experience gains/(losses) on scheme liabilities				
- amount (£)	47,000	-	(23,000)	-
- % of present value of scheme liabilities	4.8	-	(2.5)	-
Total actuarial (loss)/gain recognised in statement of total recognised gains and losses				
- amount (£)	(32,000)	61,000	(24,000)	(12,000)
- % of present value of scheme liabilities	(3.3)	6.7	(2.7)	(1.6)

18. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2008 the charity had annual commitments under non-cancellable operating leases as set out below

	2008		2007	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	9,400	-	4,160	338
Within 2 to 5 years	11,100	4,099	13,000	2,361
After more than 5 years	7,750	-	14,844	-
	<u>28,250</u>	<u>4,099</u>	<u>32,004</u>	<u>2,699</u>

**CUMBRIA CEREBRAL PALSY
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2008

19. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2007 £	Incoming resources £	Gains and losses £	Balance at 31 Mar 2008 £
General Fund	(1,387)	(92,153)	–	(93,540)
Defined benefit pension scheme	–	–	(26,499)	(26,499)
	<u>(1,387)</u>	<u>(92,153)</u>	<u>(26,499)</u>	<u>(120,039)</u>

20. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2007 £	Incoming resources £	Gains and losses £	Balance at 31 Mar 2008 £
General Funds	<u>318,873</u>	<u>(52,523)</u>	<u>(5,501)</u>	<u>260,849</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investments £	Net current assets/ (liabilities) £	Defined benefit pension liability £	Total £
Restricted Income Funds	–	–	61,315	(181,354)	(120,039)
Unrestricted Income Funds	<u>312,324</u>	<u>124,438</u>	<u>(138,267)</u>	<u>(37,646)</u>	<u>260,849</u>
Total Funds	<u>312,324</u>	<u>124,438</u>	<u>(76,952)</u>	<u>(219,000)</u>	<u>140,810</u>

22. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital