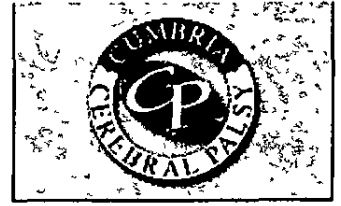


Registrar



CUMBRIA CEREBRAL PALSY LIMITED

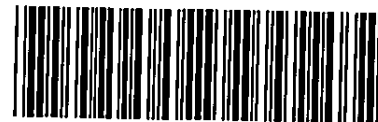
Audited Financial Statements for year ended 31 March 2010

Company Registration Number 5386416

Charity Number 1110076



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COMPANIES HOUSE

Saint & Co

Chartered Accountants & Registered Auditors

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

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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
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Trustees	Mrs G Wykes 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 Mr N Ganley Mrs E Thomson Mr G Moffat Mr J Harper
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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 & Statutory Auditor Sterling House Wavell Drive, Rosehill Carlisle, Cumbria CA1 2SA
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**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS *(continued)*

Bankers

HSBC Plc
English Street
Carlisle
Cumbria
CA3 8JT

Solicitors

Cartmell Shepherd Solicitors
Rosehill
Carlisle
Cumbria
CA1 2RW

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2010

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on pages 1 to 2 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 C Scott-Buckleugh
Mr N Ganley
Mrs E Thomson
Mr G Moffat
Mr J Harper

Mr J Harper was appointed as a trustee on 14 November 2009

Mr M T Thyne retired as a trustee on 14 November 2009

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.

The trustees confirm that they have complied with section 4 of the 2006 Charities Act in having paid due regard to the Charities Commission guidance on public benefit.

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.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

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.

Due to the nature of the charity's work, the Trustees seek to ensure the needs of this group are reflected on the Board. The traditional business, social care and health are well represented on the Board in an effort to maintain a broad skill mix.

Trustee Induction

Prior to election potential Trustees complete an application form indicating the areas of the charity'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. A copy of the Memorandum and Articles of Association and the latest financial statements are distributed to the Trustees.

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

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

for 32 places and 4 day care places. The home is registered with the Commission for Social 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.

Risk Management

The Trustees conduct ongoing reviews of the major risks to which the charity is exposed. Systems or procedures have been established, where appropriate, to mitigate these risks. Internal control systems are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with Health and Safety of staff, volunteers, clients and visitors to the residential care home, head office and charity shops.

OBJECTIVES AND ACTIVITIES

The objects of Cumbria Cerebral Palsy are -

Our Charity's purposes as set out in the objects contained in the Company's Memorandum of Association are to

- promote the care and welfare of those with cerebral palsy and similar conditions, primarily, but not exclusively within Cumbria, by providing 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 aims of our charity are to support children and adults with cerebral palsy, their families and carers, living in Cumbria, to ensure individuals have choices to maximise their opportunities.

Our main objectives for the year continue to be the support of individuals with cerebral palsy and their families. We do this by

- providing a family support service throughout the county
- ensuring people with cerebral palsy have access to up-to-date information
- owning and operating a residential care home for adults with cerebral palsy
- operating a Skills Centre for residents and day attendees which focuses on independent living skills
- working in partnership with statutory and voluntary organisations to secure the widest range of services which best match the needs of individuals with physical disabilities
- working towards registration as a domiciliary care agency

Ensuring our work delivers our aims

We review our aims, objectives and activities on an ongoing basis throughout the year. We monitor our achievements which enables us to move forward with confidence knowing our services are meeting the needs of the people for whom the charity is set up to help.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

ACHIEVEMENTS AND PERFORMANCE

How our activities deliver public benefit

Our main activities and who we try to support are described below. All of our charitable activities focus on supporting individuals with cerebral palsy and are undertaken to further our charitable purpose for public benefit.

Who used and benefited from our services?

Our funding limits the services we provide to those resident in Cumbria. Demand for our services is made by referrals from medical and social services sources, self-referral or by parents. Following an initial visit by one of our support workers, the future level of support is mutually agreed. All our services are provided free to our clients and are funded through the charity's own fund-raising activities.

Counselling, advice and information

Our family support work service offers confidential support to children and adults with cerebral palsy, their families and carers. Areas of work we have been involved with during the year include educational issues where a child is assessed for the level of support they require to attend school, health matters and partnership working with team around the family, advice on a wide range of issues from financial about benefit entitlement to securing finance for specialist equipment not available from statutory sources, representing parents' concerns on various committees, representing physical disability as part of Every Child Matters legislation and working as part of Parents in Partnership to look at the future structure of short breaks for families within Cumbria. The family support team have had an active caseload of 230 individuals, all of whom have received a service from the charity. The team is complemented by a Part-time Information Advisor based at the charity's Head Office. A quarterly newsletter is produced and circulated to 350 individuals and professionals and during the year, leaflets on cerebral palsy and how we can help have been distributed by our support workers and volunteers throughout the county. The charity also has its own website which is regularly updated with information for families to download and with details of our activities.

Residential and Day Care Services

The charity owns and operates a residential care centre Scalesceugh Hall, for adults aged over 19 years which also offers day care services for four people living locally. The philosophy of the home is to enable people with disabilities to have individual life styles with a high degree of choice and an open, responsive and flexible service. The staff team is experienced through comprehensive training and staff turnover is low which ensures the provision of a consistent level of care.

A Skills Centre is attached to the residential facility with a designated staff team. This facility is available for the residents and day attendees and there is a comprehensive range of activities designed to fulfil residents' wishes and expectations.

In October 2010 the careful planning over many years in preparation for the closure of Scalesceugh Hall and the relocating of residents into purpose built accommodation will become a reality. Two schemes have been built as a result of the partnership between Cumbria Cerebral Palsy and Impact and offer fully adapted, state of the art accommodation for people with physical and mobility difficulties.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

In October, 2009, the Trustees appointed Sanderson Weatherall as agents to market and sell Scalesceugh Hall on their behalf and work is progressing on the sale with interested parties on the basis of a completion by September/October this year at which point the residential care home will close

Partnership Working

We maintain close working relationships with a number of statutory and voluntary agencies involved in providing support for people with cerebral palsy and similar disabilities. These include countrywide local authorities who commission our residential and day services, Every Child Matters strategic working groups, CACVS and Volunteer Bureaus, Cumbrian Carer's organisations, Parent Partnership support groups, Cumbria Disability Network, Physiotherapists, Occupational Therapists and Local Authority social workers

Training

An on-going training programme is in place for both our family support workers and care staff working in our residential and day care services. All care staff have either achieved or are working towards NVQ level 3 in health and social care with all staff on the senior management team having achieved NVQ level 4, and the Registered Manager's qualification. The staff who manage our charity shops have undertaken Fire Warden accredited and were to undertake an NVQ 3 in retail in the forthcoming year. However, this external funding was withdrawn. Two of our staff are registered NVQ Assessors. A new support work team leader was appointed in March, 2010, and has designed a training programme for the team over the coming year. However, training held to date includes the Mental Capacity Act and Deprivation of Liberties safeguards, and the Independent Safeguarding Authority requirements

Volunteers

We would like to thank all the volunteers who work so hard to promote the objects of the charity and to raise funds to support our activities

FINANCIAL REVIEW

Principal funding sources

Aside from the income generated by operating six charity shops and the charity's own funding raising activities, which supports the cost of providing the family support service, the principal funding source for the charity is by way of local authority contracts for its residential and day care services. Budgeted expenditure continues to be tightly controlled and monitored by the Trustees on a monthly basis

In the interim and as a result of increasing constraints on local authority expenditure, the charity has to seek funding from a much broader range of sources. The appointment of a person with the skills to process applications to Charity Trust Funds has enabled the charity to provide a range of activities it otherwise would not have had the resources to deliver. The trustees remain very grateful and acknowledge the support from the Henry Smith Charitable Trust whose on-going support in a three year package has enabled the charity to have part time family support work cover exclusively for the Barrow area. In excess of 40 families receive this service which the Trust is to finance until March 2011

Reserves

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

The Trustees have examined the charity's requirements for reserves in the light of the main risks to the charity. It has established a policy whereby unrestricted funds held should be between 3 - 6 months of expenditure. Budgeted unrestricted expenditure for 2009/10 is £333,947 and, therefore, the target is between £83,486 and £166,974 in general funds. The reserves are needed to meet the working capital requirements of the charity and the Trustees are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

Investment

In preparation for the closure of the charity's residential care home and the need to have available resources, the Trustees made the decision to liquidate the charity's assets and invest in an appropriate interest yielding bank account.

This decision was taken because of the disappointing returns on the investments and the need to ensure that more immediate access to funds in view of the pending closure of the residential care home, could be made if required.

Once Scalesceugh Hall is closed and has been sold, any surplus funding following our investment into the new schemes, will be considered by the Trustees in partnership with an investment advisor.

Pensions

The audited accounts include the full adoption of accounting standard FRS 17. The Trustees have endorsed the policy of Cumbria County Council with regard to pension deficit in repaying the current deficit in Cumbria Cerebral Palsy's pension scheme over a 20 year period by varying the level of employer contributions. This position is reviewed on an annual basis.

Restricted Funds

The deficit on the pension fund of £401,000 means we now have a deficit in the restricted fund balance. As mentioned above, the Trustees have endorsed the policy of Cumbria County Council and have increased the employer's contribution to 21.3% in order to reduce, or remove, the pension deficit over the 20 year period.

PLANS FOR FUTURE PERIODS

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

In October 2010 the charity plans to relocate all the residents from Scalesceugh Hall. This will mean a significant change in the way future care is funded. Residents will become tenants of the housing association and their care, currently paid by Local Authorities by way of a contract, will be financed through self directed support via the County Council. The new schemes will offer excellent levels of accommodation and ensure that individuals will be given every assistance and support to become as independent as possible. Coupled with self directed support funding, the residents will have greater control over who provides their care although the funding will still come via the Local Authority. Work is on-going on this complex area, but at this moment in time, there is uncertainty as to what role Cumbria Cerebral Palsy will have in providing care under this new funding regime.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2010

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of Cumbria Cerebral Palsy for the purposes of company law) are responsible 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)

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company 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 charitable company's auditor is 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 auditor is aware of that information

AUDITOR

Saint & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
22 Spencer Street
Carlisle
Cumbria
CA1 1BG

Signed on behalf of the trustees



Mr B Earley
Chairman

1 July 2010

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBRIA CEREBRAL PALSY

YEAR ENDED 31 MARCH 2010

We have audited the financial statements of Cumbria Cerebral Palsy for the year ended 31 March 2010 on pages 12 to 24, which have been prepared on the basis of the accounting policies set out on pages 14 to 16

This report is made solely to the company's members, as a body, in accordance with chapter 3 of section 16 of the Companies Act 2006. 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 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) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Responsibilities of the Trustees on pages 8 to 9.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with section 44 of that act.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CUMBRIA CEREBRAL PALSY (continued)

YEAR ENDED 31 MARCH 2010

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 charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion

- the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2010 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 United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees Annual Report is consistent with the financial statements

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 24 to the financial statements concerning the Charity's ability to continue as a going concern. The Charity Pension scheme for employees has a deficit, which has increased to £401,000 in 2010, casting doubt over the Charity's ability to fund the deficit. There is some uncertainty as to whether the Charity's current care contract from Cumbria County Council will be awarded this year. These indicate the existence of a material uncertainty which may cast doubt over the Charity's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Charity was unable to continue as a going concern.

Saint & Co

SAINT & CO
Chartered Accountants
& Registered Auditor

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

1 July 2010

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

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

YEAR ENDED 31 MARCH 2010

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	2	104,027	968,051	1,072,078	950,744
Activities for generating funds	3	235,239	—	235,239	216,660
Investment income	4	1,969	—	1,969	5,347
Other incoming resources	5	10,107	—	10,107	(6,089)
TOTAL INCOMING RESOURCES		351,342	968,051	1,319,393	1,166,662
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	6	(149,653)	(885,433)	(1,035,086)	(1,050,724)
Fundraising trading cost of goods sold and other costs	7	(154,805)	—	(154,805)	(142,090)
Governance costs	8	(16,123)	(17,057)	(33,180)	(28,805)
TOTAL RESOURCES EXPENDED		(320,581)	(902,490)	(1,223,071)	(1,221,619)
NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR					
	9	30,761	65,561	96,322	(54,957)
Unrealised gain/(loss) on investments		—	—	—	(19,442)
NET INCOME/(EXPENDITURE) FOR THE YEAR		30,761	65,561	96,322	(74,399)
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial (losses)/gains in respect of defined benefit pension schemes		(42,837)	(180,163)	(223,000)	67,000
NET MOVEMENT IN FUNDS RECONCILIATION OF FUNDS		(12,076)	(114,602)	(126,678)	(7,399)
Total funds brought forward		219,792	(86,382)	133,410	140,810
TOTAL FUNDS CARRIED FORWARD		207,716	(200,984)	6,732	133,411

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

The notes on pages 14 to 24 form part of these financial statements.

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 MARCH 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	12	290,279	303,870
Investments	13	—	68,906
		<u>290,279</u>	<u>372,776</u>
CURRENT ASSETS			
Stocks	14	2,163	2,163
Debtors	15	33,170	28,059
Cash at bank and in hand		173,814	4,860
		<u>209,147</u>	<u>35,082</u>
CREDITORS Amounts falling due within one year	16	<u>(91,694)</u>	<u>(104,447)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>117,453</u>	<u>(69,365)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>407,732</u>	<u>303,411</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>407,732</u>	<u>303,411</u>
DEFINED BENEFIT PENSION SCHEME LIABILITY	17	<u>(401,000)</u>	<u>(170,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>6,732</u>	<u>133,411</u>
FUNDS			
RESTRICTED INCOME FUNDS:			
General funds	19	(49,345)	(114,906)
Pension reserve	17	<u>(151,639)</u>	<u>28,524</u>
TOTAL RESTRICTED INCOME FUNDS		<u>(200,984)</u>	<u>(86,382)</u>
UNRESTRICTED INCOME FUNDS:			
Unrestricted income funds excluding pension liability	20	244,077	213,317
Pension reserve	17	<u>(36,361)</u>	<u>6,476</u>
TOTAL UNRESTRICTED INCOME FUNDS		<u>207,716</u>	<u>219,793</u>
TOTAL FUNDS		<u>6,732</u>	<u>133,411</u>

These financial statements were approved by the members of the committee on the 1 July 2010 and are signed on their behalf by

Mr B Earley
Chairman

Company Registration Number 5386416

The notes on pages 14 to 24 form part of these financial statements

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2010**

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 2006

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

Legacies

All legacies are accounted for on an accruals basis and where possible are invested

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

Deferred income

Incoming resources are deferred in order to apply the matching principle with the income against the expense

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

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES *(continued)*

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.

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:

Fixtures & Fittings	-	Over 5 to 7 years
Motor Vehicles	-	Over 5 years
Building Expenditure	-	Over 12 to 15 years

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 realisable 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 2010

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 2010 £	Total Funds 2009 £
Donations				
Subscriptions and donations	24,245	—	24,245	17,679
Collection boxes and dolls	2,270	—	2,270	4,707
Special efforts	12,052	—	12,052	20,950
Legacies				
Legacies	46,500	—	46,500	—
Grants receivable				
Henry Smith Charity	9,000	—	9,000	10,000
Fees and grants	—	968,050	968,050	884,513
Other income				
Moneyspinner income	3,791	—	3,791	2,394
Childrens resource fund	1,014	—	1,014	1,025
Marketing income	718	—	718	734
Sundry income	4,437	1	4,438	5,507
Special appeals income	—	—	—	3,235
	<u>104,027</u>	<u>968,051</u>	<u>1,072,078</u>	<u>950,744</u>

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Shop Income	231,079	231,079	212,500
Rental income	4,160	4,160	4,160
	<u>235,239</u>	<u>235,239</u>	<u>216,660</u>

4 INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Income from UK listed investments	1,921	1,921	5,318
Bank interest receivable	48	48	29
	<u>1,969</u>	<u>1,969</u>	<u>5,347</u>

5. OTHER INCOMING RESOURCES

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Gains/(losses) on disposal of investments	10,107	10,107	(6,089)

6. COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Donations	149,653	—	149,653	153,467
Grants	—	885,433	885,433	897,257
	<u>149,653</u>	<u>885,433</u>	<u>1,035,086</u>	<u>1,050,724</u>

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

	Unrestricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Shop costs	154,805	154,805	142,090

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

8. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Accountancy fees	2,911	–	2,911	4,110
Audit fees	9,750	–	9,750	9,750
Bank charges	4	2,515	2,519	2,945
Net finance costs in respect of defined benefit pension schemes	3,458	14,542	18,000	12,000
	<u>16,123</u>	<u>17,057</u>	<u>33,180</u>	<u>28,805</u>

9. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

This is stated after charging

	2010 £	2009 £
Staff pension contributions	12,464	9,141
Depreciation	16,479	15,901
Auditors' remuneration		
- audit of the financial statements	9,750	9,750
Operating lease costs		
- Other	<u>2,822</u>	<u>3,683</u>

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2010 £	2009 £
Wages and salaries	789,670	783,915
Social security costs	52,849	60,697
Other pension costs	12,464	9,141
Other post-retirement benefit costs	19,000	32,000
	<u>873,983</u>	<u>885,753</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)

CUMBRIA CEREBRAL PALSY COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

10. STAFF COSTS AND EMOLUMENTS *(continued)*

Particulars of employees:

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

	2010	2009
	No	No
Number of provision of care staff	40	40
Number of fund-raising and publicity staff	8	7
Number of management and administrative staff	2	2
	<u>50</u>	<u>49</u>

No employee received remuneration of more than £60,000 during the year (2009 - 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 and Development Costs	Fixtures & Fittings	Motor Vehicles	Building Expenditure	Assets in course of construction	Total
	£	£	£	£	£	£
COST						
At 1 Apr 2009	233,369	35,515	31,961	38,711	11,201	350,757
Additions	—	2,888	—	—	—	2,888
At 31 Mar 2010	<u>233,369</u>	<u>38,403</u>	<u>31,961</u>	<u>38,711</u>	<u>11,201</u>	<u>353,645</u>
DEPRECIATION						
At 1 Apr 2009	—	16,547	21,307	9,033	—	46,887
Charge for the year	—	7,377	6,392	2,710	—	16,479
At 31 Mar 2010	<u>—</u>	<u>23,924</u>	<u>27,699</u>	<u>11,743</u>	<u>—</u>	<u>63,366</u>
NET BOOK VALUE						
At 31 Mar 2010	<u>233,369</u>	<u>14,479</u>	<u>4,262</u>	<u>26,968</u>	<u>11,201</u>	<u>290,279</u>
At 31 Mar 2009	<u>233,369</u>	<u>18,968</u>	<u>10,654</u>	<u>29,678</u>	<u>11,201</u>	<u>303,870</u>

The freehold property has been included at cost however the trustees have put the property up for sale for £1.5m

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

13. INVESTMENTS

Movement in market value

	2010	2009
	£	£
Market value at 1 Apr 2009	68,906	124,438
Disposals at opening book value	(68,906)	(36,089)
Net gains on revaluations in the year ended 31 March 2010	-	(19,443)
Market value at 31 Mar 2010	-	68,906
Historical cost at 31 Mar 2010	-	70,388

Analysis of investments at 31 Mar 2010 between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2010 £	Total Funds 2009 £
Listed investments				
UK Quoted Shares	-	-	-	68,906

14. STOCKS

	2010	2009
	£	£
Stock	2,163	2,163

15. DEBTORS

	2010	2009
	£	£
Trade debtors	18,869	27,274
Other debtors	14,301	785
	33,170	28,059

16. CREDITORS: Amounts falling due within one year

	2010	2009
	£	£
Bank loans and overdrafts	-	39,111
Trade creditors	56,531	21,281
Amounts owed to associated undertakings	-	2,500
Amounts owed to undertakings in which the charity has a participating interest	13,897	13,897
Taxation and social security	16,008	23,912
Future Builders Grant	3,000	3,000
Other creditors	158	746
Hedley Foundation	2,100	-
	91,694	104,447

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

17. PENSIONS AND OTHER POST RETIREMENT BENEFITS

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 realisable 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, 2009 by a qualified independent actuary

The amounts recognised in the statement of financial activities are as follows

	2010	2009
	£000	£000
Total operating charge in resources expended		
Current service cost	<u>19</u>	<u>32</u>
Total operating charge	<u>19</u>	<u>32</u>
Amounts included in other finance cost		
Expected return on scheme assets	<u>(39)</u>	<u>(48)</u>
Interest on scheme liabilities	<u>57</u>	<u>60</u>
Other finance cost	<u>18</u>	<u>12</u>
Total charge to the statement of financial activities	<u>37</u>	<u>44</u>

At 31 March 2010 the cumulative amount of actuarial gains recognised in the statement of financial activities is £223,000

The amounts recognised in the balance sheet are as follows

	2010	2009
	£000	£000
Present value of funded obligations	<u>(1,218)</u>	<u>(798)</u>
Fair value of scheme assets	<u>817</u>	<u>628</u>
Net pension liability	<u>(401)</u>	<u>(170)</u>

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

17. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

Changes in the present value of the defined benefit obligation scheme are as follows

	2010 £000	2009 £000
Opening defined benefit obligation	798	980
Current service cost	19	32
Interest on scheme liabilities	57	60
Actuarial loss/(gain)	362	(256)
Contributions by scheme participants	10	10
Benefits paid	(28)	(28)
Closing defined benefit obligation	<u>1218</u>	<u>798</u>

Changes in the fair value of scheme assets are as follows

	2010 £000	2009 £000
Opening fair value of scheme assets	628	759
Expected return on scheme assets	39	48
Contributions by employer	29	26
Contributions by scheme participants	10	10
Actuarial gain/(loss)	139	(187)
Benefits paid	(28)	(28)
Closing fair value of scheme assets	<u>817</u>	<u>628</u>

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows

	2010 %	2009 %
European equities	53	50
European bonds	20	21
Other debt instruments	10	9
Property	6	6
Cash	2	2
Other assets	9	12

The principal actuarial assumptions as at the balance sheet date were

	2010 %	2009 %
Discount rate	6	7
Rate of increase in salaries	5	5
Rate of increase in pensions in payment	4	3
Inflation	4	3

Amounts for the current and previous three periods are as follows

	2010 £000	2009 £000	2008 £000	2007 £000
Defined benefit obligation	(1,218)	(798)	(980)	(910)
Fair value of scheme assets	<u>817</u>	<u>628</u>	<u>759</u>	<u>741</u>
(Deficit)/surplus in the scheme	<u>(401)</u>	<u>(170)</u>	<u>(221)</u>	<u>(169)</u>

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

18. COMMITMENTS UNDER OPERATING LEASES

At 2010 the charity had annual commitments under non-cancellable operating leases as set out below

	2010		2009	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within 1 year	3,250	338	3,600	-
Within 2 to 5 years	24,250	3,761	30,750	4,099
After more than 5 years	7,450	-	7,450	-
	<u>34,950</u>	<u>4,099</u>	<u>41,800</u>	<u>4,099</u>

19. CAPITAL COMMITMENTS

The company is required to pay £700k to Impact towards the building costs relating to the relocation of Scalesceugh Hall residents

This is due either on completion of the building works or on the sale of Scalesceugh Hall, whichever is latest

There may be interest due on this amount if not paid on completion

20. RESTRICTED INCOME FUNDS

	Balance at 1 Apr 2009 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 Mar 2010 £
General fund	(114,906)	968,051	(902,490)	-	(49,345)
Defined benefit pension scheme	28,524	-	-	(180,163)	(151,639)
	<u>(86,382)</u>	<u>968,051</u>	<u>(902,490)</u>	<u>(180,163)</u>	<u>(200,984)</u>

21. UNRESTRICTED INCOME FUNDS

	Balance at 1 Apr 2009 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 Mar 2010 £
General Funds	<u>219,792</u>	<u>351,343</u>	<u>(320,582)</u>	<u>(42,837)</u>	<u>207,716</u>

**CUMBRIA CEREBRAL PALSY
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2010

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets/ (liabilities) £	Defined benefit pension liability £	Total £
Restricted Income Funds:				
General fund	–	122,984	(323,968)	(200,984)
Unrestricted Income Funds	290,279	(5,531)	(77,032)	207,716
Total Funds	290,279	117,453	(401,000)	6,732

23. COMPANY LIMITED BY GUARANTEE

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

24. GOING CONCERN

The latest valuation of the Charity's Pension Scheme for employees provided by Mercer, indicates the deficit has worsened to £401,000. The trustees are attempting to reduce it by increasing the employers pension scheme contributions to 21.3%, in accordance with recommendations from the scheme actuary. Uncertainty currently exists over the continuance of the support from Cumbria County Council who fund the majority of the residents in Scalesceugh Hall and the Trustees are in discussions with the Council over this.

Both of these matters amount to material uncertainties over the Charity's ability to continue as a going concern.