

Cool Recovery
Financial Statements
30 June 2008

Charity Number 1110955



BISHOP FLEMING
Chartered Accountants
50 The Terrace
Torquay

Cool Recovery

Financial Statements

Year Ended 30 June 2008

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Cool Recovery

Trustees Annual Report *(continued)*

Year Ended 30 June 2008

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the unaudited financial statements of the charity for the year ended 30 June 2008.

Reference and Administrative Details

Registered Charity Name	Cool Recovery
Charity Registration Number	1110955
Company Registration Number	5490608
Registered Office	Cool House 17 Morgan Avenue Torquay Devon

The trustees

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

F Etessami
J A Drummond
G A Forward
E G Butcher
R K Sewhcomar
A Everett

Secretary E G Butcher

Accountants Bishop Fleming
Chartered Accountants
50 The Terrace
Torquay

Bankers Natwest
108 Union Street
Torquay

Introduction

The trustees of Cool Recovery ('the charity'), who are also directors of the charity for the purposes of the Companies Act, submit their Annual Report and the audited financial statements for the year ended 30th June 2008. The charity is a charitable company limited by guarantee. It is governed by its Memorandum and Articles of Association.

The purpose of this report is to provide information on the charity's activity and financial performance, this report is to be read in conjunction with the Cool Recovery Annual Report 2008.

It forms part of a range of public information designed to give an open account of the charity's work.

Cool Recovery

Trustees Annual Report *(continued)*

Year Ended 30 June 2008

Structure, governance and management

Governing document

The organisation is a charitable company limited by guarantee (incorporated 24 June 2005) and does not have any share capital. It is a registered charity, governed by its memorandum and articles of association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Appointment of trustees

The directors of the company are also charity trustees for the purpose of charity law and are known in the company articles as members of the management committee. Under the requirements of the Memorandum and Articles of Association as follows:

- 9.1 The maximum number of trustees shall be determined by the company in general meeting, but unless and until so fixed there shall be no maximum number. The minimum number of trustees shall be three.
- 9.2 The first trustees shall be those persons appointed as directors of the company on its incorporation in accordance with section 13(5) of the Act. Thereafter the trustees shall be appointed in accordance with the provisions of these Articles. None of the trustees shall be obliged to retire by rotation.
- 9.3 The trustees may appoint any individual aged 18 years or over to be a trustee, either to fill a vacancy amongst the trustees or as an additional trustee, provided that the appointment does not cause the number of trustees to exceed any maximum number for the time being in force pursuant to the provisions of these Articles.

New trustees are appointed and selected on the basis of their knowledge, skills and experience, and are encouraged to attend meetings and events in order to appreciate the ethos and operating style of Cool Recovery prior to being invited to join as a trustee.

Trustee training and induction

New trustees are encouraged to attend training sessions to familiarise themselves with the charity and the context within which it operates. The training sessions cover the following:

- The obligations of management committee members.
- The main documents which set out the operational framework for the charity including the memorandum and articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.
- Induction packs containing policies, job description and other relevant information has now been produced.

Risk management

Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks 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 Cool House and other activities managed by Cool Recovery.

Cool Recovery

Trustees Annual Report *(continued)*

Year Ended 30 June 2008

Related parties

The charity has a contractual relationship with a trustee of the charity, Friederike Etessami with regard to the building, 17 Morgan Avenue. This building is owned by Friederike Etessami and a rental amount of £1 per annum is invoiced for the use of it, we are currently awaiting an invoice for £3 for three years rent. A market rate of £20,616 is included in the accounts, in accordance with the SORP 2005.

Organisational structure

The Cool Recovery Limited directors will, as its trustees, ensure that all legal requirements of Company Law are adhered to and will also ensure that it meets the requirements of the Charities Commission.

The day to day running of Cool Recovery is managed by Martin Smith.

At last year's AGM the following management structure was agreed to seek ways to ensure that the charity is run and managed from the bottom up.

Management structure

Members would hold meetings as required and arranged by them, this forum would enable feedback, give a place for debate and ensure members' views are taken up by management. Minutes would be given to the directors and Board of Governors (when established).

Specific groups would be formed of people having particular skills to offer. These groups could cover the main areas of work and responsibility within Cool Recovery. (Example, one group would be "dealing with Information"). Each "organizational" group will elect a leader who will "ipso facto" become a Governor on the Board of Governors. Care will be taken to ensure that at least one Governor is a carer and at least one is a Mental Health Service User. The Board of Governors will meet as necessary, but at an interval of no more than one calendar month. The meeting will be operated via a rotating chair; the next chair will be agreed at the close of meeting.

Work would be affected by the group, according to the needs of the Board of Governors, within an agreed budget. The directors will, from time to time, attend the meetings of the Governors Board. The directors will not directly influence the Governors Board so long as it stays within its remit.

Independent Evaluation has been completed this year will be repeated as agreed by the Cool Recovery Management Team.

Aims and objectives

The company's objectives and principal activities are:

The advancement of health through the provision of care and services in relation to mental illness.

Cool Recovery's core objectives

- We will improve awareness and understanding so that people affected by severe mental illness will be accepted as equal citizens.
- We will campaign for breakthroughs in prevention, treatment and care.
- We will fight for effective, holistic care and support we can rely on every hour of the day.
- We will campaign for a better world where everyone living with severe mental illness can recover a quality of life that brings greater fulfilment.
- Cool Recovery is for everyone affected by severe mental illness, which includes carers, families and friends.

Cool Recovery

Trustees Annual Report *(continued)*

Year Ended 30 June 2008

Cool Recovery supporting statements

- People with experience of mental distress drive all we do.
- We respect everyone's experience and ensure inclusion is at the heart of our work.
- We are committed to working with others and all who will help us achieve our aims.
- Our independence ensures our integrity - we are never compromised.
- We will challenge discrimination and campaign for better mental health.

Cool Recovery's activities

Cool Recovery is a local mental health charity involving carers and people with severe mental illness now in its third year.

Our vision is of a society that promotes and protects good mental health for all, and that treats people with experience of mental distress fairly, positively, and with respect. The needs and experiences of our membership drive our work and we make sure those who influence change hear their voice. Our independence gives us the freedom to stand up and speak out on the real issues that affect daily lives. We provide information and support, campaign to improve policy and attitudes and, in partnership with the local community, business and other independent organisations, to develop local services.

We do all this to make it possible for people who experience mental distress to live full lives, and play their full part in society. The Cool Recovery Annual Report 2008 will fully cover the activities delivered to its members and those living within South Devon both town and country.

The Cool House in Torquay has developed organically and attendance is now averaging 45 people per day, the café is now fully operational and a full range of recovery opportunities are now in place, covering training, volunteering and personal development. The therapies service is fully established and being recognised as providing quality support by others. The Wooden Spoon Conservatory has now been completed and has enabled us to support young carers and develop family time, a time for those with children under five years old.

Activities in rural areas continue to grow as the Dartmouth Cool Group is now established and hosted its second conference this year; the trustees are fully committed to the rural issues and will be highlighting areas of need in order to ensure support is given to those that need it.

The trustees would like to thank all our membership and supporters for helping to make this possible.

This report is to be read in conjunction with the Cool Recovery Annual Report 2008.

Cool Recovery's strategic achievements and performance

1. We have significantly improved the public's understanding of the role of the carer and reduce the stigma of severe mental illness.
2. We have worked with local service providers to help develop alternative and better ways of working with people who need clinical services.
3. We have substantially improved access to Cool Recovery though out South Devon for those affected by mental illness and their carers.
4. We have increase and support the direct involvement and empowerment in Cool Recovery of people who use mental health services and their carers.
5. We are working to increase the diversity of members and staff to reflect the communities we serve.

Cool Recovery

Trustees Annual Report *(continued)*

Year Ended 30 June 2008

6. We have fully supported innovative, evidence based and recovery practices across our activities.
7. Retain a culture of innovation, learning and humanity as we grow and develop.
8. We are committed to creating a more effective organisation by investing in people, systems and infrastructure.
9. We are building a strong financial base for sustainable growth.
10. The development of the public relation team will continue to raise awareness and understanding of Cool Recovery.

Financial review

This report covers all donations and expenditure up to the end of June 2008.

Cool Recovery is now in its final year of funding from the Big Lottery Fund. This has enabled us to provide the positive outcomes we have achieved over the past year; again we thank you for this support.

With Bishop Fleming, Cool Recovery is working to maintain the high standards required by the Charity Commission and Companies House.

Ed our bookkeeper has now moved on and we wish him well. Members and therapists have given both financially and personally. The trustees are fully aware and grateful to all our funders and donors. Wooden Spoon funding of the recently opened Conservatory has already helped our work with young people in South Devon. It's such a great space!

A £8k partnership funding agreement with Torbay Council Carers', Children's and Drug & Alcohol Service providers will fund Cool House Young Carers for another year. The second carers' week fancy dress sponsored walk was great publicity and fun, raising over £1700 for Young Carers and Family Time at the Cool House.

Income generation through room rentals and hospitality exceeded our calculations. The kitchen has covered its costs and continues to provide delicious, nutritious, low cost meals. A full range of refreshments are available from the new Coffee Bar, which will provide internet access via laptops as part of a major kitchen refit in 2009, kindly funded by Torbay Council with support from Anne Redmayne.

Last year an average of 45 people, children and pets visited the Cool House daily. Cool Recovery membership is £12 per year and is being actively encouraged. This covers newsletter costs only but shows commitment to Cool Recovery. Our monthly Coolnews was sent to over 300 'members' and emailed to 200. We are now mailing to "paid up" members who join the mailing list. In addition to email and telephone contact, rural outreach is an essential element for members and we are looking at areas of funding to develop this work. Dartmouth Cool has been raising monies from table top sales through the year to fund trips out.

Core funding remains our challenge. Cool Recovery offers value for money and over the past year we have met with local funders, we have applied to grant-giving trusts and are developing local business support. We are still keen to develop "full cost recovery" accountancy systems to monitor costs ensuring funding needs are fully met. Lutea Trustees Ltd again gave financial and personal support.

The personal time given by members, supporters and those offering their services to Cool Recovery is priceless and we thank you all. The trustees are fully aware and grateful to all our funders and donors.

Cool Recovery

Trustees Annual Report *(continued)*

Year Ended 30 June 2008

Reserves policy

Taking into account the nature and volume of income streams and the pattern of expenditure in meeting the charity's objects, the trustees have maintained their view that to ensure efficient management, and work towards the provision of a financial buffer allowing uninterrupted services, a free reserve equivalent to six months' of total expenditure is required. This amounts to £60,000 on the basis of 2007/08 expenditure. The free reserve amounted to £61,850 at the balance sheet date.

Responsibilities of the trustees

The trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year that 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; and
- 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.

Reporting accountants

Bishop Fleming will continue in office as reporting accountants for the ensuing year.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Cool House
17 Morgan Avenue
Torquay
Devon

Signed on behalf of the trustees



E G Butcher
Company Secretary

Date: 21st November 2008 .

Cool Recovery

Accountants' Report on the unaudited Accounts to the Members of Cool Recovery

Year Ended 30 June 2008

We report on the accounts for the year ended 30 June 2008 set out on pages 9 to 16.

Respective responsibilities of directors and reporting accountants

As described on page 7 the charity's directors (who also act as trustees for the charitable activities of Cool Recovery) are responsible for the preparation of the accounts, and they consider that the charity is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

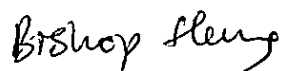
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the charity, and making such limited enquiries of the officers of the charity as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with those accounting records kept by the charity under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the charity satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemptions specified in section 249B(1)(a) to (f).



BISHOP FLEMING
Chartered Accountants
50 The Terrace
Torquay
Devon

Date : 23 February 2009

Cool Recovery

Statement of Financial Activities

Year Ended 30 June 2008

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds Year to 30 June 08 £	Total Funds Year to 30 June 07 £
Incoming resources					
Incoming resources from generating funds:					
Voluntary income	2	21,292	-	21,292	55,450
Activities for generating funds	3	31,572	115	31,687	23,604
Grants received	4	900	64,451	65,351	121,015
Total incoming resources		53,764	64,566	118,330	200,069
Resources expended					
Costs of generating funds:					
Fundraising trading: cost of goods sold and other costs	5	(2,142)	(8,089)	(10,231)	(5,784)
Charitable activities	6	(51,138)	(66,295)	(117,433)	(116,269)
Governance costs		(4,549)	-	(4,549)	(4,057)
Total resources expended		(57,829)	(74,384)	(132,213)	(126,110)
Net incoming resources for the period/net income for the period		(4,065)	(9,818)	(13,883)	73,959
Transfer between funds		15,180	(15,180)	-	
Reconciliation of funds					
Total funds brought forward		50,735	57,879	108,614	34,655
Total funds carried forward		61,850	32,881	94,731	108,614

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.

Cool Recovery

Balance Sheet

30 June 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	8	62,433	46,739
Current assets			
Stock		500	-
Debtors	9	2,134	59,084
Cash at bank and in hand		49,664	22,791
		<u>52,298</u>	<u>81,875</u>
Creditors: Amounts falling due within one year	10	<u>(20,000)</u>	<u>(20,000)</u>
Net current assets		32,298	61,875
Total assets less current liabilities		<u>94,731</u>	<u>108,614</u>
Funds			
Restricted income funds	11	32,881	57,879
Unrestricted income funds	12	61,850	50,735
Total funds		<u>94,731</u>	<u>108,614</u>

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the period by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The trustees acknowledge their responsibilities for:

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

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the members of the committee on 21/11/2008 and are signed on their behalf by:



R K Sewhcomar
Director

Cool Recovery

Notes to the Financial Statements

Year Ended 30 June 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention 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.

Grants

Income from grants is included in incoming resources when these are receivable, except as follows:

- when donors specify that grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- when donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

Fund accounting

Funds held by the charity are either:

Unrestricted funds - these are funds that can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis. Certain expenditure is directly attributable to charitable activities and has been included in direct charitable expenditure.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Equipment	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance

Cool Recovery

Notes to the Financial Statements

Year Ended 30 June 2008

2. Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Donations				
Donations	676	-	676	34,134
Rent in kind	20,616	-	20,616	20,016
Accountancy in kind	-	-	-	1,300
	<u>21,292</u>	<u>-</u>	<u>21,292</u>	<u>55,450</u>

3. Incoming resources from activities for generating funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Café Income	5,396	-	5,396	5,810
Fundraising events	1,980	115	2,095	1,227
Membership fees	692	-	692	254
Counselling and therapies	2,817	-	2,817	-
Advertising	-	-	-	60
Room letting	15,687	-	15,687	12,003
Training fees	5,000	-	5,000	4,250
	<u>31,572</u>	<u>115</u>	<u>31,687</u>	<u>23,604</u>

4. Grants receivable

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Wooden Spoon	-	-	-	50,000
Big Lottery	-	64,451	64,451	62,572
Local Network Fund	-	-	-	6,000
Other grants receivable	900	-	900	2,443
	<u>900</u>	<u>64,451</u>	<u>65,351</u>	<u>121,015</u>

5. Fundraising trading: Cost of goods sold and other costs

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Café costs	339	7,340	7,679	5,479
Celebration and launch event costs	1,803	749	2,552	305
	<u>2,142</u>	<u>8,089</u>	<u>10,231</u>	<u>5,784</u>

Cool Recovery

Notes to the Financial Statements

Year Ended 30 June 2008

6. Costs of charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
Charitable activities				
Training costs	-	3,267	3,267	190
Wages and salaries	26,654	34,181	60,835	60,548
Pension	-	1,410	1,410	1,500
Freelance worker fees	381	7,157	7,538	10,672
Rent	20,616	-	20,616	20,016
Rates and water	-	492	492	2,362
Light and heat	-	2,598	2,598	2,301
Repairs and maintenance	217	3,189	3,406	2,201
Insurance	-	671	671	636
Health and safety	722	1,014	1,736	2,048
Promotional materials	220	2,813	3,033	2,483
Staff travel costs	-	3,013	3,013	2,939
Volunteer travel costs	126	2,608	2,734	2,676
Telephone	-	1,093	1,093	1,029
Depreciation	1,764	-	1,764	1,347
	<u>50,700</u>	<u>63,506</u>	<u>114,206</u>	<u>112,948</u>
Support costs				
Legal fees	15	75	90	177
Recruitment	-	404	404	550
Subscriptions	-	145	145	115
Printing, postage and stationery	-	2,165	2,165	2,276
Bank charges	423	-	423	203
	<u>438</u>	<u>2,789</u>	<u>3,227</u>	<u>3,321</u>
	<u>51,138</u>	<u>66,295</u>	<u>117,433</u>	<u>116,269</u>

7. Staff costs and emoluments

Total staff costs were as follows:

	Year to 30 Jun 08 £	Year to 30 Jun 07 £
Wages and salaries	60,835	60,548
Employers pension	1,410	1,500
	<u>62,245</u>	<u>62,048</u>

Cool Recovery

Notes to the Financial Statements

Year Ended 30 June 2008

7. Staff costs and emoluments (continued)

Particulars of employees:

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

	Year to 30 Jun 08 No	Year to 30 Jun 07 No
	2	2

No employee received emoluments of more than £60,000 during the period (2006 - Nil).

8. Tangible fixed assets

	Leasehold Improvements	Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1 July 2007	42,698	3,374	3,712	49,784
Additions	14,443	260	2,755	17,458
At 30 June 2008	57,141	3,634	6,467	67,242
Depreciation				
At 1 July 2007	-	1,471	1,574	3,045
Charge for the year	-	541	1,223	1,764
At 30 June 2008	-	2,012	2,797	4,809
Net book value				
At 30 June 2008	57,141	1,622	3,670	62,433
At 30 June 2007	42,698	1,903	2,138	46,739

9. Debtors

	2008 £	2007 £
Trade debtors	911	7,861
Prepayments	1,223	1,223
Wooden Spoon	-	50,000
	2,134	59,084

Cool Recovery

Notes to the Financial Statements

Year Ended 30 June 2008

10. Creditors: Amounts falling due within one year

	2008	2007
	£	£
Loan	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

The loan above is from Lutea towards the building costs for the conservatory.

11. Restricted income funds

	Balance at 1 July 2007	Incoming/ Outgoing Resources	Transfers from funds	Balance at 30 June 2008
	£	£	£	£
RAIDS computer	562	-	-	562
Big Lottery Fund	4,645	(6,761)	(572)	(2,688)
Local Network Fund	2,672	(2,532)	(165)	(25)
Wooden Spoon	50,000	(525)	(14,443)	35,032
	<u>57,879</u>	<u>(9,818)</u>	<u>(15,180)</u>	<u>32,881</u>

12. Analysis of net assets between funds

	Tangible fixed assets	Net current assets	Total
	£	£	£
Restricted Income Funds:			
RAIDS computer	-	562	562
Big Lottery Fund	572	(3,260)	(2,688)
Local Network Fund	165	(190)	(25)
Wooden Spoon	14,443	20,589	35,032
Unrestricted Income Funds	<u>47,253</u>	<u>14,597</u>	<u>61,850</u>
Total Funds	<u>62,433</u>	<u>32,298</u>	<u>94,731</u>

13. Related party transactions

The charity has a contractual relationship with a trustee of the charity, Friederike Etessami with regard to the building, 17 Morgan Avenue. This building is owned by Friederike Etessami and an annual rental amount of £3 is invoiced for the use of it. A market rate of £1,718 is included in the accounts, in accordance with the SORP 2005.

14. Trustees' expenses

During the year no trustee received any payment for any out of pocket expenses.