

CLEVELAND FRIENDS OF ARMS LIMITED
REPORT OF THE MANAGEMENT COMMITTEE
AND STATEMENT OF ACCOUNTS
YEAR ENDED 31ST DECEMBER 2005

COMPANY NUMBER – 2320258
REGISTERED CHARITY – 701138

WEDNESDAY



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CLEVELAND FRIENDS OF ARMS LIMITED
LEGAL AND ADMINISTRATIVE INFORMATION

STATUS

The charity is a company limited by guarantee, incorporated 22nd November 1988. It is governed by its memorandum and articles of association. It was registered as a charity on 7th February 1989.

TRUSTEES

The trustees, who are the directors of the charity for the purposes of the Companies Act, who served during the year were as follows:-

A R Riddiough (Chair)	Mrs J Riddiough (Secretary)
Mr J Wright	Mrs J Wright
Mrs P Fulton	Mrs P Manton
Mrs J Johnson (Treasurer)	Mrs W Jones
Mr M Coulson (Appointed 28 th July 2005)	Mrs B Rankin
Mrs J Crockley	Mrs C Stoddart
Mrs G Toovey (Resigned 28 th July 2005)	Mrs L King (Resigned 28 th July 2005)

The trustees form the Management Committee.

PRINCIPAL ACTIVITY

The principal activity of the company is the running of a treatment centre offering therapy, counselling and support to sufferers from Multiple Sclerosis.

REGISTERED OFFICE

The Registered office is Unit B1, Stadium Court, Wallis Road, South Bank, Middlesbrough, TS6 6JB.

BANKERS

The bankers are Yorkshire Bank, 35-37 High Row, Darlington, DL3 7QT.

REPORTING ACCOUNTANTS

S V Bye, Chartered Accountants, New Garth House, Upper Garth Gardens, Guisborough. TS14 6HA

CLEVELAND FRIENDS OF ARMS LIMITED
REPORT OF THE MANAGEMENT COMMITTEE

The Management Committee presents its annual report and the unaudited accounts for the year to 31st December 2005.

Legal and administrative information set on page 1 forms part of this report.

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

OBJECTS

The objects of the charity are to give aid to sufferers of Multiple Sclerosis by whatever means are available.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

During the year we have continued to help people with MS, their families and carers. This is achieved through the variety of services from oxygen therapy and reflexology to counselling, which we provide from our centre. The charity has employed a professional fundraiser from May 2006 to help promote the charity and attract additional support.

RESULTS

The company's statement of financial activities showed a deficit of £19583 (2004 Surplus: £10948) which has reduced the reserves balance from £74413 to £54830.

RISK MANAGEMENT

The Management Committee have identified the major risks to which the Charity is exposed and a regular system of financial review has been established to mitigate these risks.

POLICY ON RESERVES

The Management Committee consider it prudent to maintain free reserves equivalent to approximately six months operating costs (around £45000 at current levels), and for future building or removal costs. Free reserves comprise those unrestricted reserves which are not designated or tied up in fixed assets. At 31st December 2005, free reserves amounted to £44502. There had been a deliberate policy of building up reserves over the previous two years, not only as a contingency against a sudden drop in funding, but to provide for the costs of moving to a new centre.

CLEVELAND FRIENDS OF ARMS LIMITED
REPORT OF THE MANAGEMENT COMMITTEE

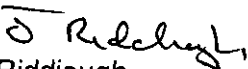
STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure for the year. In preparing those accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They 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.

By order of the trustees


J Riddiough

Trustee and company secretary

27th April 2006

CLEVELAND FRIENDS OF ARMS LIMITED

**ACCOUNTANT'S REPORT TO THE MEMBERS ON THE UNAUDITED ACCOUNTS OF
CLEVELAND FRIENDS OF ARMS LIMITED**

We report on the accounts for the year ended 31st December 2005 set on pages 5 to 9.

Respective responsibilities of directors and reporting accountants

As described on page 3 the Management Committee, who are also the directors of Cleveland Friends of Arms Limited for the purposes of company law, are responsible for the preparation of the accounts, and they consider that the company 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 company, and making such limited enquiries of the officers of the company 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 the accounting records kept by the company 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 company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).


S V Bye
Chartered Accountants and
Reporting Accountants
New Garth House
Upper Garth Gardens
GUISBOROUGH
TS14 6HA

5th May 2006

CLEVELAND FRIENDS OF ARMS LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31ST DECEMBER 2005

	Note	2005 £	2004 £
INCOMING RESOURCES			
Activities in furtherance of the charity's objects			
Donations and grants		53044	81114
Membership Subscriptions		567	978
Activities for generating funds			
Income from fundraising activities		6892	8908
Sales of Goods and Medical Supplies		1527	1821
Bank Interest		1179	1381
TOTAL INCOMING RESOURCES		<u>63209</u>	<u>94202</u>
RESOURCES USED			
Costs of activities in furtherance of the charity's objects			
Medical Costs	4	65906	64747
Support Costs	5	12901	13264
Other Expenditure			
Administration	6	3985	4243
		<u>82792</u>	<u>83254</u>
Movement in funds for the year-net income for the year		(19583)	10948
Total funds brought forward	11	<u>74413</u>	<u>63465</u>
Total funds carried forward		<u>54830</u>	<u>74413</u>

All incoming resources for the year ended 31st December 2005 were unrestricted.

The notes on pages 7 to 9 form part of these accounts.

CLEVELAND FRIENDS OF ARMS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2005

	Note	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		10328		13458
CURRENT ASSETS					
Stocks		300		300	
Debtors and Prepayments		1653		1901	
Cash at Bank		43408		59021	
Cash in Hand		198		384	
		<u>45559</u>		<u>61606</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(1057)		(651)	
NET CURRENT ASSETS			<u>44502</u>		<u>60955</u>
NET ASSETS			<u>54830</u>		<u>74413</u>
FUNDS					
Unrestricted funds	11		<u>54830</u>		<u>74413</u>
			<u>54830</u>		<u>74413</u>

In approving these accounts as directors of the company we hereby confirm:

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(2) of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31st December 2005 and
- (c) that we acknowledge our responsibilities for:
 - (1) ensuring that the company keeps accounting records which comply with Section 221, and
 - (2) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the company.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (January 2005).

...A Riddiough  Director

...J Johnson  Director

27th April 2006

The notes on pages 7 to 9 form part of these Accounts.

CLEVELAND FRIENDS OF ARMS LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with all applicable accounting standards and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000.

b) Tangible fixed assets

Tangible fixed assets are capitalised at cost.

Depreciation on tangible fixed assets is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives at the rate of 33% on the reducing balance basis.

c) Stock

This is valued at the lower of cost and net realisable value.

d) Incoming resources

Donations and grants, including capital grants, are included in incoming resources when they are receivable. When donors specify that grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, the income is included in incoming resources of restricted funds when receivable.

Interest is included when receivable by the charity.

e) Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

f) Fund accounting

Funds held by the charity are either:

Unrestricted general funds- these funds 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.

2. COMMITTEE MEMBERS EMOLUMENTS

The Secretary received a payment of £600 (2004: £600) to cover expenses.

3. TAXATION

The company is exempt from Corporation Tax under the provision of Section 505(1)(C) ICTA 1988.

CLEVELAND FRIENDS OF ARMS LIMITED

NOTES TO THE ACCOUNTS

4. MEDICAL COSTS	2005 £	2004 £
Salaries	34092	33756
Professional Assistance	9477	8624
Oxygen	4614	2155
Maintenance of Equipment	1445	2921
Volunteers' Expenses	7721	10154
Cost of medical supplies	1404	1408
Monitoring and Evaluation	1988	-
Depreciation	5165	6729
	<u>65906</u>	<u>65747</u>

5. SUPPORT COSTS	2005 £	2004 £
Rent, Insurance, etc	3186	2686
General Office and Running Costs	6251	5794
Property Maintenance	535	717
Publicity and Fundraising	2929	4067
	<u>12901</u>	<u>13264</u>

6. ADMINISTRATION	2005 £	2004 £
Wages and associated costs	2400	2400
Accountancy	529	493
Sundries	1056	2565
	<u>3985</u>	<u>4243</u>

7. WAGES AND SALARIES

There were no employees whose wages, as defined for tax purposes, amounted to more than £50,000. The average number of employees during the year was 2 (2004: 2).

	2005 £	2004 £
Wages and salaries	33957	33644
Social Security Costs	2535	2512
	<u>36492</u>	<u>36156</u>

CLEVELAND FRIENDS OF ARMS LIMITED

NOTES TO THE ACCOUNTS

8. FIXED ASSETS

Equipment £

Cost

At 1st January 2005

51233

Additions

2035

At 31st December 2005

53268

Depreciation

At 1st January 2005

37775

Charge for the year

5165

At 31st December 2005

42940

Net book value at 31st December 2005

10328

Net book value at 1st January 2005

13458

9. CREDITORS-

Amounts falling due within one year:

2005

2004

£

£

Accruals

1057

3712

10. COMPANY STATUS

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

11. FUNDS

All the funds of the charity are unrestricted.

CLEVELAND FRIENDS OF ARMS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2005

	£	£	2004 £
INCOMING RESOURCES			
Donations and Covenants		53044	81114
Fund Raising		6892	8908
Subscriptions		567	978
Sale of Goods		1527	1821
Bank Interest		1179	1381
		<u>63209</u>	<u>94202</u>
RESOURCES EXPENDED			
Medical Costs			
Salaries	34092		33756
Professional Assistance	9477		8624
Monitoring and Evaluation	1988		-
Oxygen	4614		2155
Equipment Maintenance	1445		2921
Cost of goods sold	1404		1408
Volunteer expenses	7721		10154
Depreciation	5165	(65906)	6729
	<u> </u>		<u>65747</u>
Support Costs			
Rent, Insurance etc	3186		2686
General Office	6251		5794
Property Maintenance	535		717
Public Fundraising	2929	(12901)	4067
	<u> </u>		<u>13264</u>
Administration			
Wages	2400		2400
Accountancy	529		493
Sundry	1056	(3985)	1350
	<u> </u>	<u> </u>	<u>4243</u>
(DEFICIT)/SURPLUS FOR THE YEAR		(19583)	10948
Brought Forward		74413	63465
Carried forward		<u>54830</u> =====	<u>74413</u> =====

This page does not form part of the statutory accounts and is for the information of the Trustees only.