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## Annual Report and Financial Statements

For the year ended 31 January 2011

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BUCKINGHAM PALACE

In May I was delighted to welcome 300 guests to St James's Palace to commemorate 30 years of the MND Association. I was greatly impressed by the supporters and volunteers whose dedication has played a vital role in improving the lives of all those affected by MND. I have continued to witness firsthand how the Association's ongoing commitment to partnership working is reaping major rewards in the key areas of MND care and research.

In November I attended a major Association-hosted summit calling for changes to end of life care. Key figures in the palliative care field and politicians have since agreed a statement calling on the Government to provide better access to high quality end of life care for people with MND. The Association leads the world in the funding and promotion of cutting edge research. Looking forward, a collaborative new study, jointly funded by the Association and the Government, is testing diaphragm-pacing equipment which, if found to be beneficial, could improve the lives of up to 1,500 people with MND each year.

As Royal Patron I congratulate the Association on its significant achievements this year and look forward to the coming year as it continues to support, care and research for people living with MND, their families and carers.

*HRH The Princess Royal*

## CHAIR'S REPORT

Since I became Chair of the MND Association I have seen and felt the strength of our partnership working, the enthusiasm and leadership of our local work, and the power of our voice on a national and international stage. A world free of MND may still feel some way off, but our journey towards it has palpable purpose and urgency. This purpose is driven by everyone involved with the Association – from our passionate volunteers and staff to our generous and committed supporters.

This report plots our progress over the last 12 months. Whether it's the difference made through funding ground-breaking research, or by Association visitors spending time with people with MND, demonstrating the outcomes of our activity is vital to ensuring we are accountable to our members, our donors, and most importantly, to people with MND.

Several highlights from 2010/11 stand out for me. We successfully lobbied for official guidance from health spending watchdog NICE promoting access to non-invasive ventilation (NIV) – a treatment shown to improve quality of life. We put MND on the political agenda as never before through our campaign for a national approach to care and treatment. Our branches and groups provided extraordinary levels of support, through everything from laying on meetings and get-togethers, to funding equipment and respite care. Our awareness campaign Incurable Optimism reached an estimated 26 million people – an outstanding return on a small budget, mostly due to the efforts of Patrick Joyce and his willingness to share in detail the ongoing trials and triumphs of his life with MND.

The fight continues to ensure everyone has access to the best care, can achieve the highest quality of life possible and die with dignity. In delivering to you the *Annual Report and Financial Statements* of the MND Association for the year ending 31 January 2011, my trustee colleagues and I remain as committed as ever to the journey to creating a world free of MND.

**Mark Todd**

*Chair – Board of Trustees*

## THE CHALLENGES OF MND

Motor neurone disease (MND) kills five people every day in the UK. It is a fatal neurological disease that leaves people trapped in a failing body, unable to walk, talk or feed themselves. Life expectancy is two to five years, and around half of those diagnosed with MND die within 14 months. There is currently no cure.

The disease can affect any adult at any age, with around 5,000 people living with MND in the UK. Symptoms vary from person to person, and the complex and unpredictable nature of MND can leave people emotionally and physically isolated. All of this makes MND a particularly challenging disease – for the person with MND, their family and friends, and for all of the health and social care professionals and managers who provide and make decisions on care.

People with MND need a proactive and well co-ordinated approach to their care – requiring up to 18 different health specialists to help manage their condition. Because MND is not always well understood by statutory services like health and social care, we see many cases of poorly-planned and badly co-ordinated care, leading to a negative impact on people's quality of life, medical crises, emergency admissions and prolonged hospital stays. As well as the impact on the person with MND and their family, this lack of high-quality care leads to a needless waste of health and social service resources.

MND is also a challenge for science. There are still few clues as to what causes MND, beyond a small number of inherited (familial) cases. It is hard to 'model' the disease in the lab, making it difficult to investigate why motor neurones die or why the disease progresses in different ways and at different rates, or to develop potential treatments. Being less common than other neurodegenerative diseases, such as Alzheimer's, MND receives less attention from research companies. Interest in the disease from the academic community, though greatly increased in recent years, is hampered by lack of funds and few pharmaceutical companies are interested in developing a treatment for MND because of the high cost relative to the low return from subsequent sales.

### Finding solutions

The Association was founded in 1979 by a group of volunteers who had personal experience of these challenges and had felt at first hand the devastating impact of MND on their loved ones. We support people in England, Wales and Northern Ireland, and our charitable objects are

- 1 The relief of persons who are, or who are suspected of being, affected by motor neurone disease and its associated conditions ("the beneficiaries") by seeking to ensure that such persons and their families and carers receive such help and assistance as is calculated to relieve their need, and
- 2 To commission, undertake, promote, monitor and manage research into all aspects of motor neurone disease and its associated conditions and causes and work towards their prevention and cure and to publish and disseminate the useful results for the benefit of the public

These objects are translated into our vision and mission

### Vision

A world free of MND

### Mission

~~We will fund and promote research to bring about~~  
an end to MND. Until then, we will do all that we can to enable everyone with MND to receive the best care, achieve the highest quality of life possible, and die with dignity. We will also do all that we can to support the families and carers of people with MND.

Our *Strategic Framework 2009-15* is our current strategic response to the challenges above. We have seven goals that guide all of our activities

- To enable people with MND to participate in research should they so wish, and realise the benefits of national and international research

- To empower people with MND to achieve the highest quality of life possible and to die with dignity
- To ensure the families and carers of people with MND have the opportunity to access support and information which enables them to have as high a quality life as possible
- To ensure the Association's staff and volunteers are working seamlessly to more effectively serve people with MND, their families and carers
- To ensure that all our stakeholders are aware of the needs of people with MND, the Association's work on behalf of people with MND, and their role in delivering outcomes for people with MND
- To ensure the Association remains focused on achieving outcomes for people with MND, whilst exploiting the opportunities for creating value that changes in the external environment can bring
- To generate an income of between £19 million and £20 million, of which 83% of Association expenditure is allocated to our charitable purpose

While our Strategic Framework covers a six-year period, we review it every three years in order to ensure it is still fit for purpose. During 2011 we will be carrying out such a review, with a view to producing a new *Strategic Framework 2012-2018*

We are making progress against these strategic goals, and ultimately towards our mission and vision. ~~The exciting research advances we help bring about~~ are fuelling further studies, and we are driving up the standards of care provided by the statutory sector, as well as through our own services. Our support nationally and locally ensures that no one has to face the journey with MND alone.

The outcomes we've achieved during the financial year 2010/11, set against the seven goals listed above, form the next part of the report

## PROGRESS AGAINST OUR STRATEGIC FRAMEWORK GOALS

### GOAL1

**To enable people with MND to participate in research should they so wish, and realise the benefits of national and international research**

The Association is a leader in the funding and promotion of some of the world's most ground-breaking and pioneering research into MND. The pace of discovery is accelerating, with a number of findings in the last few years helping the science community understand more than ever about MND. Our ultimate impact through research will be a world free of MND – in the meantime, the research we fund and support is improving people's quality of life.

#### **Improving diagnosis – BioMox**

In November 2010, researchers co-funded by us and the Medical Research Council (MRC) reported finding a common pattern of nerve damage that appears to be only found in the brains of people with MND. The study is a first step in developing an MND specific biomarker – that is, a change in body chemistry or structure that can be detected by a diagnostic test. The discovery of such biomarkers could speed up diagnosis – allowing drugs to be given at a much earlier stage and reducing the period of uncertainty for the person with MND. The study will continue for another three years and together with two other biomarker projects, will allow a total of 300 people with MND and their family members to participate.

#### **The power of stem cells**

An international collaborative study, involving world-leading researchers from four institutions in three cities – Edinburgh, London and New York – kicked off in 2010, with funding from the Association. Cutting-edge techniques are being used to create a human motor neuron from skin cells of people with familial MND, which scientists can then study to get insights into how and why diseased neurons die.

In January 2011, in collaboration with partners in the UK, US and Canada, we held the first ever stem cell conference for MND, where we brought together 60 of the world's leading researchers in New York,

providing a platform for leaders in this field to discuss latest advances and future direction.

#### **Gene hunting**

Advances in technology now allow extremely rapid scanning of the entire human genetic code for variations that may increase someone's risk of developing MND, or provide protection from the disease. Several 'susceptibility genes' in MND have already been found, and our major gene-hunting programme developed in partnership with the Medical Research Council, Heaton-Ellis Trust and the ALS Association of the USA is now using this technology to further understand inherited (familial) MND. Our programme is a first step in developing greater international collaboration amongst the leading familial MND research groups around the world.

Meanwhile, our MND Association DNA bank has now received more than 3,000 samples – creating a vital resource for researchers.

#### **Helping people live longer and improved lives – NICE guidance on non-invasive ventilation**

July 2010 saw the publication of an official guideline on the use of non-invasive ventilation (NIV) in the management of MND, by the National Institute for Health and Clinical Excellence (NICE). The guideline will promote access for people with MND to this treatment wherever they live in England and Wales (the areas covered by NICE), subject to an assessment of their specific needs. Publication of this guidance was the result of campaigning by the Association, following publication of Association-funded clinical research that showed NIV dramatically improves both quality and length of life for people with respiratory problems caused by MND. We will be monitoring the impact of this guideline, and our ongoing influencing within the NHS at local level, to ensure it makes a positive difference for people with MND.

#### **More studies to improve treatment of MND symptoms – DiPALS**

'Diaphragm pacing in ALS' – the DiPALS study – involves a clinical trial to examine the respiratory

function and the effect of this treatment, which uses electrical impulses to stimulate breathing muscles, on quality of life and survival and is the world's first trial to specifically look at these effects. The trial has attracted significant Department of Health co-funding because of the involvement of the Association.

We are also funding a three-year UK study on gastrostomy, to help develop clinical guidelines to improve the management of this treatment, which allows people with swallowing problems to be fed directly into their stomach.

We look forward to reporting the results of these trials.

#### Developing the research workforce

Developing the MND research workforce, nationally and internationally, is a cornerstone of our research strategy.

Our international collaborative study to create human motor neurones in the lab (see above) is being driven by Association-funded researchers at the Euan MacDonald Centre for Motor Neurone Disease Research in Edinburgh – an international centre of excellence in MND, led by Prof Siddharthan Chandran and colleagues. Other centres of excellence developing in UK, thanks to the leadership of Association-funded researchers, include

- Oxford, where our co-funding and influence has led to a new Chair in Motor Neuron Biology at Oxford University, a position held by Prof Kevin Talbot
- Sheffield, where the Sheffield Institute of Translational Neuroscience (SITraN) – opened by the Queen in 2010 – headed by Prof Pam Shaw aims to build on the success of the Association-funded MND Care and Research Centre
- King's College, London – where a project is underway to develop the Maurice Wohl Clinical Neuroscience Institute, bringing together Prof Chris Shaw's leadership in MND research with international expertise in related disorders including dementia and stroke

#### GOAL 2

**To empower people with MND to achieve the highest quality of life possible and to die with dignity**

The rapid and complex nature of MND demands fast and urgent provision of care and support services. We do all that we can to ensure an individual's unique care needs are met, and met quickly, either through our own services or by driving improvements in statutory provision. MND devastates families, but with access to the right care, support, information and equipment such as wheelchairs, people with MND can achieve the highest quality of life possible.

#### Our national care services – MND Connect, equipment and financial support

Our nationally co-ordinated services are a lifeline to people with MND and their carers. These include our MND Connect support and advice service, the loaning of specialist equipment, and the provision of financial support to help meet the costs of adaptations and equipment. In 2010/11

- We provided £923,000 worth of funding to 1,615 people with MND, to fund those items and support that make a difference, like respite care and specialist equipment
- We provided 185 suction units, 896 riser-recliner armchairs, 587 Lightwriters (a communications aid) and 189 computer-assisted technology aids and adaptations
- Our MND Connect service received 11,834 enquiries, one third of which were from people with MND and families, carers, and friends, and 40% of which were from health and social care professionals

In early 2011 we surveyed people with MND about these services. Of those who responded, 92% said they used our services, and satisfaction levels were on average 93% (based on people saying they were 'very satisfied' or 'quite satisfied').

### Wheelchairs

The David Carleton Paget (DCP) Wheelchair Service was founded in conjunction with the Association in 2007 in response to unacceptable inequities and delays often experienced by those seeking to access NHS wheelchairs. The service aims to ensure every person with MND in need of a wheelchair can access one when they need it. By January 2011 the service had provided 199 wheelchairs, benefiting 240 people with MND across the country.

By January 2012, we aim to have raised £850,000 to purchase 250 wheelchairs, available exclusively for use by people living with MND. We are also actively progressing work to improve provision of wheelchairs for people with MND with the Department of Health.

### Specialised equipment

We work with health and social care professionals to develop business cases that support the funding of, and more timely access to, specialised equipment in their local areas. As a result, 2010 saw a specialist scooter service established in North Wales and, in North Wiltshire, the purchase of a cough assist machine specifically to support assessment. Our local volunteer-led branches in these areas supported the funding of these projects.

### Online forum

In December 2010 we launched our online forum, in direct response to requests from people affected by MND. The forum was viewed more than 8,000 times in its first three months. By the end of January 2011, 174 people had registered and were actively sharing experiences and supporting each other with the challenge of living with MND. Forum members have told us how connecting with others in similar situations helps to relieve the sense of isolation often experienced following a diagnosis.

### Confidence in our information – the Information Standard

In 2010 we applied for certification under the Department of Health Information Standard, and

successful certification was confirmed in April 2011.

This has improved our information production systems, ensuring people with MND and their carers receive quality assured care information.

### Improving access to benefits and welfare

We are co-ordinating our approach to information provision, strategy and campaigning around benefits and welfare entitlement. As well as reviewing our information on people's entitlements, we are also working to ensure the needs of people living with MND are recognised by the Government in the drafting and implementation of new legislation.

In Sunderland, we have set up a fast-track referral system for Citizens Advice Bureau (CAB) support for people with MND. The scheme has been set up with the local CAB, whose advisers now visit families at home rather than expect them to attend the local office.

### GOAL 3

**To ensure the families and carers of people with MND have the opportunity to access support and information which enables them to have as high a quality of life as possible**

For the majority of those who are main carers of people with MND, caring is beyond a full-time job, taking up more than 50 hours of their time each week.<sup>3</sup> Carers' concerns focus on risk and uncertainty, for instance, what will happen if they become ill, and only a fifth have planned respite breaks. During 2011 we will be developing and implementing a longer-term strategic approach to how we support carers, based on their needs and experiences.

### Supporting carers to support people with MND

In a survey of carers in early 2011, three quarters told us the Association supports people with MND 'well' or 'very well'. In addition:

- 75% had made use of our information to help them with their caring role, with 92% finding this useful.

- 72% had experience of our equipment loan services, with 94% finding this useful for their role as carer
- Many said they would like to receive more personal support from the Association in future. This feedback is informing our future plans

#### Carers' groups

One of the ways we support carers locally is to provide opportunities for them to meet each other to share concerns and provide mutual support. In 2010/11 we developed new carers' groups in Cleveland, York, Greater Manchester, Doncaster, Surrey, East Anglia and throughout the Birmingham area. These are mostly led by our on-the-ground volunteers and, as well as giving carers a break and a chance to support each other, they also improve staff and volunteers' understanding of how we can best support carers. In our 2011 carers' survey, 20% said they attended an Association-run carers' group.

#### Addressing carers' fears around palliative care – A Foot in the Door

Concerns about what happens when someone with MND reaches the end of their life are as significant for a carer as they are for someone living with the disease. Working in partnership with Saint Francis Hospice in Havering, London, we established the A Foot in the Door project, to provide people with MND and particularly their carers with information about end-of-life issues. The aim was to help people understand the support available within the hospice sector throughout someone's journey with MND.

Four carers took part in the first 10-week course, with the people they care for also attending some sessions. We asked all of them a number of questions before and after the programme, and saw a significant and positive change in people's understanding and acceptance of palliative care, where there had previously been a degree of fear<sup>4</sup>. A second course takes place later in 2011, after which the Department of Health, which funded this pilot, will evaluate and decide whether to roll out the scheme to other hospices in the UK.

#### Other activity

- Our new online forum, launched in December 2010, includes a dedicated area for carers. By the end of February 2011, 25 of the 174 people registered could be identified as carers. We have targeted carers in our most recent promotion of the forum, and also made some alterations to the forum set-up to make it clear carers are welcome.
- We had planned in 2010 to produce a new carers' information pack. This work was put on hold while we undertook an audit of all of our care information. The carers' pack will now be produced during 2011/12.

#### GOAL 4

**To ensure the Association's staff and volunteers are working seamlessly to more effectively serve people with MND, their families and carers**

Volunteers are the lifeblood of the Association and play a critical role in fundraising, influencing, awareness raising and providing support, information and financial assistance within their local areas. The economic value of volunteers to the Association, based on their time and fundraising efforts, is estimated at more than £5 million. Combined with the efforts, skills and knowledge of our staff team, this creates a powerful force on behalf of people with MND.

#### Celebrating volunteering

In 2010 we were delighted to celebrate the enormous contribution of our volunteers and thank them for their continued dedication with a special 30th anniversary reception hosted by HRH The Princess Royal, our Royal Patron, at St James's Palace.

#### Association visitors

Critical frontline support for people with MND and their families is provided by 373 volunteer Association visitors (AVs), who provide a range of support including listening, signposting and informal advocacy.

<sup>4</sup>A Foot in the Door pilot evaluation – MND Association / Saint Francis Hospice 2011



In 2010 we surveyed our AVs

- 96% of AVs said people with MND had indicated the AV role made a positive difference to their quality of life
- 83% of AVs said people with MND were able to access services and support more quickly because of the AV's involvement<sup>5</sup>

AV developments in 2010/11

- We successfully recruited four AVs in Northern Ireland. Two AVs are now in role and a further two are being trained. This is the first time people with MND in Northern Ireland have had access to local support through AVs, and means our Association staff can spend more time educating and influencing health and social care professionals and developing more volunteering support
- Our new AV buddy scheme sees more experienced AVs support the development and learning needs of newly trained AVs in an informal way, helping them become more confident and more effective in their role in a shorter space of time
- High quality training enables AVs to make a significant difference to the lives of those affected by MND. For example, the development of an Association Visitor respiratory module means AVs have a better understanding of how MND can affect breathing and are able to signpost appropriately

#### Sharing and strengthening skills

We recognise that our volunteers bring a wealth of skills and experience, and we actively encourage volunteers to share skills. In 2010 we appointed a volunteer National Web Developer and a Newsletter Editor, to work with and support branches and groups across England, Wales and Northern Ireland

We have also added strength to our campaigning voice by developing volunteers' confidence and knowledge to get involved in campaigning on health and social care issues

#### Targeting potential volunteers

In 2010 we focused on more targeted recruitment of volunteers, with new recruitment leaflets designed to appeal to specific audiences: health and social care professionals and younger volunteers

We are using the volunteering website Do-it and Facebook to reach out to a wider and younger audience, recognising the benefits of combining the experience of existing volunteers with fresh new ideas

#### Chief Executive's annual appeal

Each year we invite branches and groups to contribute financially to nationally-led activities. This year we asked for help to fast-track work to support respite care, provide an MND resource file for health and social care professionals and fund research to develop our use of mouse 'models' of MND. More than £207,000 was contributed to our 2010 appeal – £70,000 more than in the previous year

#### GOAL 5

**To ensure that all our stakeholders are aware of the needs of people with MND, the Association's work on behalf of people with MND, and their role in delivering outcomes for people with MND**

As we continue through a period of unprecedented change and retraction of public services, it is more important than ever that we successfully influence the systems and delivery of statutory health and social care. In addition, if we are to continue to deliver our mission and progress towards our vision of a world free of MND, we must positively shape the scientific research environment, and demonstrate our case for support to fundraisers and donors

#### Influencing nationally: National Strategy campaign

In 2010, to tie in with the General Election, we campaigned for official Government guidance for the treatment and care of people with MND. We collected more than 18,300 signatures on our petition, which we then presented at 10 Downing Street, with our manifesto calling for a National Strategy for MND. The campaign raised awareness of

<sup>5</sup>MND Association Association Visitor Survey 2010

MND among politicians and civil servants, as well as attracting thousands of potential new 'campaigners' Following the coalition Government's move away from disease-specific national strategies, we are now building on the awareness created in Westminster to campaign and influence to ensure people with MND are not disadvantaged by proposed changes to the NHS and social care sector

#### **Influencing nationally Access to riluzole**

Riluzole is the only drug licensed for treating MND in the UK Shortages led us to contact manufacturer Sanofi Aventis to secure supply while bolstering the profile of MND within Sanofi and making them aware of our work As a result of our intervention, Sanofi Aventis took steps to secure supply of riluzole, and is now experiencing reduced demands on its emergency procedure, indicating a greater security of supply for people with MND The company has also donated £100,000 to the Association

#### **Influencing locally Neurological Commissioning Support (NCS)**

This is a unique consultancy organisation developed by the Association, the MS Society and Parkinson's UK, to ensure that people living with a long-term neurological condition are at the heart of commissioning health and social care services - that is, the planning and allocating of funding by managers for particular services, such as physiotherapy February 2011 saw the incorporation of NCS ([www.csupport.org.uk](http://www.csupport.org.uk)) with the three charities as equal shareholders

NCS activity has resulted in improved co-ordination of care for people with MND and other neurological conditions in many Primary Care Trust areas It has also advocated for service users and their family carers where our staff have identified neurology services are not meeting need

NCS developed and implemented the Neuronavigator tool, a web-based application designed specifically for health and social care commissioners The model was a key supporting element in securing £50,000 from the Department of Health and the East of England Strategic Health

Authority to fund a clinical co-ordinator for rare neurological conditions in Hertfordshire

NCS was recently awarded £340,000 of Government funding over three years to further develop capacity and capability, specifically around working alongside GP consortia

#### **Influencing locally Challenging spending decisions**

Within the Gloucestershire area we successfully challenged a decision made by local health commissioners not to purchase a specialist database containing records of end of life palliative care arrangements, including information on advanced decisions made by people with MND Hospitals, ambulances and GPs will have access to these details in the case of an emergency and will be able to respect the wishes of person with MND, leading to fewer unnecessary emergency admissions in cases where people with MND are in respiratory distress This is better for people with MND who want to remain at home, and also frees up valuable NHS resources

#### **Building our influencing capacity**

Our new campaigners' network website [www.mndcampaigns.org](http://www.mndcampaigns.org) encourages people to take action by taking part in the many campaigns that feature on the site For example, campaigners can use online templates to write emails to politicians, which will be used to lobby for policy makers to support improvements in care and services for people with MND

'Cuts Watch' is an appeal directly to people with MND and their carers to tell us how they have been affected by current cuts and reductions to local health and social care services The information provided will help us best target efforts to counteract the cuts and reductions in services at a local level

We look forward to reporting on the results and impact of these activities in the future

#### **Incurable Optimism**

Our awareness campaign Incurable Optimism was inspired by artist and father of three, Patrick Joyce It reflects the incredibly positive spirit of the

MND community and how this spirit keeps all of us fighting the disease. Patrick has set himself a challenge to paint the portraits of 100 incurable optimists before he loses the ability to paint forever.

In May the campaign had reached 26 million people through posters in the London Underground and adverts in print media, utilising offers of free space, plus editorial coverage in print, TV, radio and online. Patrick's blogsite [www.patricktheoptimist.org](http://www.patricktheoptimist.org) has had 60,000 visitors from 100 countries with £6,000 being donated to the Association directly from the site. His personal films have been viewed 23,000 times online, and Patrick has 2,700 Facebook fans and 950 Twitter followers.

#### **GOAL 6**

**To ensure the Association remains focused on achieving outcomes for people with MND, while exploiting the opportunities for creating value that changes in the external environment can bring**

The external environment within which we operate remains turbulent, with continuing uncertainty about how changes in the health and social care sector will impact on service provision for people with MND, and therefore how we will continue to influence for and provide the best care possible. In addition, reductions in public spending and the impact of economic difficulties on individuals are contributing to increased demand for our own services, prompting us to explore new ways to plan and sustain these.

#### **Managing increased demand**

While we have had great success in increasing income over recent years, we have also seen significant increases in demand for our services from people with MND. This is particularly in the area of financial support, which pays for things like equipment such as home adaptations or adapted beds. Funding for these items is vital for improving people's quality of life. Our spend on financial support has increased four-fold in real terms between 2007 and 2010.

In 2010, following careful consideration, our trustees decided to draw on our reserves to continue to meet increased demand for financial support. As a result, in 2010/11 we supported 1,615 people with over £900,000 worth of funding – an increase of around 15% on the previous year. Our reserves exist to support us in sustaining services during tougher times, but continuing to draw on them indefinitely would put the achievement of our mission and strategic goals at risk. As a result, we have balanced income and expenditure in our budget for 2011/12, and we are currently seeking ways to improve efficiency and reduce our internal costs, while protecting our support to people with MND during times of external change.

From 2011 we will also be exploring ways to recover costs or generate income from the statutory sector for the services we provide where they fail to deliver.

#### **Governance and operational foresight**

Steering an organisation through turbulent external change demands thoughtful governance and strong leadership. During 2010/11 we undertook a number of initiatives to improve our governance and operational foresight, including an independent internal audit of our risk management and fraud prevention policies, and of our governance framework, policies and procedures.

#### **GOAL 7**

**To generate an income of between £19 million and £20 million, of which 83% of Association expenditure is allocated to our charitable purpose**

Achieving our mission means both raising the resources to fund our activities, and ensuring that these are used in ways that give us the best return on our investment when it comes to meeting the needs of people with MND and those who care for them. In total, income in 2010/11 increased by £1.4 million to £13 million, with a 19% increase in income through voluntary donations and gifts.

## EXPENDITURE

### Charitable expenditure

Charitable expenditure, that is money directly spent for the benefit of people living with MND, was up 10% to **£11.9 million**. This represented 79% of our total expenditure in 2010/11.

### Providing care

An increase of 8% in expenditure on the provision of care and support, to **£8.5 million**, reflects our aim to maintain focus on ensuring people with MND achieve the highest quality of life and die with dignity.

### MND research

The remaining **£3.4 million** of our charitable spend in 2010/11 was research related. Grants for biomedical research and studentships increased by 20% to £2.5 million. Much of this was due to the generosity of our donors who have provided funds specifically for biomedical research. We hold £1.7 million of restricted reserves to continue to fund biomedical research, fellowships and studentships.

### Funding commitments

Our commitment to the funding of biomedical research projects, postgraduate studentships and MND care centres has increased by £72,000. Our future funding commitment for these specific care and research projects now stands at £3.6 million.

## INCOME

Our overall income for 2010/11 was £13 million – an 11.6% increase on the previous year, despite a tougher economic climate. Our income comes from three main sources: national office fundraising, branch and group fundraising, and legacies. A breakdown of total income was as follows:

National Office fundraising	£6.9 million
Branches and Groups	£2.4 million
Legacies	£3.3 million
Other income	£0.4 million
Total	<u>£13.0 million</u>

### Branches and groups

Our volunteer-led branches and groups raised another record amount from their fundraising activities – £2.4 million, being an increase of 9% from 2009/10.

### National Office fundraising

Also a record year, with income of £6.9 million representing a 22% increase over the 2009/10 figure of £5.7 million. For every £1 we spent on fundraising in 2010/11, we generated £3.20 in return. Highlights included:

- Our largest ever grant: The Milly Apthorp Charitable Trust awarded £300,000 to fund specialist equipment for people with MND.
  - Our most successful ever overseas challenge: Mount Kilimanjaro trekkers raised over £200,000.
  - Our largest ever corporate partnership: Our partnership with Midlands Co-operative Society generated £200,000 in its first year to provide equipment and support in the Midlands area.
  - Our most successful direct marketing appeal: This generated over £138,000 to help fund our network of care centres.
- Yet another increase in the number of people holding their own events to raise funds for the Association.

### Legacies

Income and notifications from legacies show a 3.3% increase of £105,000 to £3.3 million.

## OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

### Structure

The Association is constituted as a company limited by guarantee with its *Articles of Association* and the *Memorandum of Association* being the governing documents. In the event of the Association being wound up, every member is liable for an amount not exceeding £1 to facilitate the payment of the debts and liabilities of the charity.

The Board of Trustees consists of up to 10 elected trustees, five co-opted trustees and an elected chairman.

### Trustees' responsibilities

The trustees are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for that period.

In preparing these financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgments and accounting estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 group and charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Each of the trustees confirms that to the best of his/her knowledge there is no information relevant to the audit of which the auditors are unaware. Each of the trustees also confirms that he/she has taken all necessary steps to ensure that he/she is aware of all relevant audit information and that this information has been communicated to the auditors.

All trustees give their time voluntarily and receive no financial benefits from the charity for carrying out the role of trustee. Expenses reclaimed from the charity are set out in note 4 to the accounts.

Election of trustees is by postal ballot of the members and scrutinised by the Electoral Reform Society. In accordance with the Companies Act 2006, as of 2009 our members had the opportunity to register an electronic vote when voting for future trustees. Again, in accordance with this Act, members can appoint a proxy to vote on their behalf.

In 2007, the Board introduced a self-assessed effectiveness audit covering the processes, procedures and outcomes of Board meetings. This and the annual skills audit are being re-examined with a view to introducing a more independent and evidence-based process that will continue to promote individual and collective improvement and foster best practice.

The Board has established four committees and three panels each with specific functions and each

mandated to advise the Board on issues pertinent to the aims, objectives and good governance of the Association. Their key functions are

#### **Governance Committee**

Advises the Board of Trustees on matters pertinent to the structure and good practice of the Board and the better performance of its duties

#### **Finance Committee**

Oversees financial administration and reporting, in order to ensure compliance with legislation, mitigate financial risk and ensure best financial practice

#### **Organisational Development Committee**

Advises the Board of Trustees on all matters relating to the organisational development of the Association, with particular emphasis on its human resources, including recruitment, retention and development of both staff and volunteers

#### **Remuneration Committee**

Carries out the annual review of the salary of the Chief Executive and scrutinises the salaries of directors

#### **Care Development Advisory Panel**

Advises the Board of Trustees and National Care Director on all matters relating to the achievement of the *Standards of Care* promoted by the Association

#### **Biomedical Research Advisory Panel**

Advises the Board of Trustees and Director of Research Development on all matters relating to biomedical research

#### **Healthcare Research Advisory Panel**

Advises the Board of Trustees and Director of Research Development on all matters relating to healthcare research

#### **Trustee selection**

The integrity and robustness of processes for the recruitment and selection of new elected and co-opted trustees are critical to the current and future health of the Association and are kept under regular review by the Governance Committee and Board. The Association regards trustee induction

and ongoing training and development as essential if the Board is to properly fulfil its duties and responsibilities. The principal in-house documents, *On Board* and the *Governance Operating System Manual* are a comprehensive guide to the work of the Association, the role and responsibilities of trustees and the good practice recommendations of the Charity Commission particularly as contained in CC10 – *Hallmarks of an Effective Charity*. A standing agenda item on the January Board of Trustees meeting is a review of the selection, induction and ongoing development of trustees.

In 2010, the *Governance Operating System Manual* was introduced. This manual contains and describes the governance priorities and processes of the Association and is the definitive reference for all matters pertaining to the governance of the Association.

#### **Branches and groups**

The Association has 66 branches, 26 groups and three affiliates at the time of writing this report. All of these are run by local volunteers and operate in accordance with a charter or code of conduct drawn up by the Association.

Support to branches and groups is provided in many ways, including advice and guidance on the structure, organisation and management of branch and group activities. Branches and groups provide an essential local focus for people affected by MND and the work of branch committees and volunteers provides a resource which could not be replicated or replaced in other ways.

More than 30% of our volunteers have been actively involved in the Association for between one and five years with over 33% involved for 10 years or more and 8% of this number having volunteered for 20 years or more. This means that over 60% have volunteered for more than five years – a statistic that would be the envy of many other charities.

The value of our volunteers to people with MND and the Association is significant as we estimate that in the past year they provided the equivalent of £2.9 million worth of services to people affected by the disease. This is in addition to the £2.4 million of funds raised by them within this financial year.

## **Management**

The Board takes responsibility for governance and strategy and believes that operational management must have a mandate to act within clearly defined policies established by the Board. Trustees and senior operational managers work to develop a relationship which enables the agreed aims and objectives of the Association to be actively and wholeheartedly pursued by management whilst providing comfort to the Board that appropriate controls are in place. A robust and formal reporting structure together with the attendance of senior managers at Board and committee meetings helps ensure that appropriate checks and balances are being maintained without impeding actions which would cause delays to work for the benefit of people with MND.

Senior managers report in writing to the Board on a regular basis and those reports are scrutinised and discussed by trustees at their meetings. The Chief Executive provides a written overview of performance against agreed objectives. A formalised performance management system with clearly defined goals, key performance indicators and critical success factors is used as a monitoring tool by management and Board to measure the degree of success achieved by the Association in meeting its aims and objectives.

This is further enhanced by a sophisticated strategic performance mapping system developed in conjunction with Dr Bernard Marr of the Advanced Performance Institute. All Board papers are referenced to the map to ensure relevance to the work of the Association and an unbroken link between operational activity, strategic objectives, mission and vision.

The performance objectives and measures are enshrined in our *Strategic Framework 2009-2015*.

The Association is organised into nine teams:

### **Chief Executive's Office**

Provides strategic direction for the Association's staff and volunteers, liaising with the Board of Trustees and leading the directors' team.

### **External Affairs**

Oversees the Association's policy and campaigning to support the delivery of the Association's vision

and mission, and leads PR and awareness raising.

The team works with Whitehall, Westminster, Welsh and Northern Ireland Assemblies, health and local authority structures, and the third sector.

### **National Care**

Responsible for the provision of information and support to people affected by MND through national office resources. Leads in the development of the Care Centre Programme and the implementation of strategies and plans that enhance the standards of care for people living with MND.

### **Regional Care (two teams – one each for North and South)**

Provides local care and support through regionally based staff and volunteers. Leads on the education and training of healthcare professionals in the management of MND and the care of people with MND and influences the provision of local services in support of people with MND. Consists of two teams: one covering the south, south-west and east of England and one covering the north and midlands of England, Wales and Northern Ireland.

### **Research Development**

Responsible for strengthening the vital link between the Association, research funders, and the research community, to bring about world-class research into MND. Administers grant funding for research projects and PhD studentships and communicates research information to members and other interested parties.

### **Fundraising**

Responsible for raising and processing all the Association's income, including volunteer and community fundraising, trusts and major donor income, corporate fundraising, and other donations, including legacies and individual giving.

### **People and Organisation Development**

This comprises the HR, volunteering, corporate services and ICT functions, plus information and engagement activities. The team ensures that the Association and its people are best structured and enabled to deliver effectively for people with

MND This includes communicating with staff and volunteers as well as other stakeholders

#### Finance and Governance

Supports the needs of the Association through financial management and reporting and leads on legal and governance activities

The Board of Trustees, through its own activities and those of its committees and panels, is committed to excellence in leadership and governance. It is the role of senior operational directors and managers to translate this into activities which benefit people with MND by progressing towards the achievement of the goals set out in the *Strategic Framework 2009-2015*

Much of the work carried out and ongoing to develop good governance within the charity is informed and guided by the principles contained in the Charity Commission publication *CC10 – Hallmarks of an Effective Charity*

We believe that the wide experience and skills of trustees, ongoing development and training of the Board, a robust system of induction, the establishment of clear goals and objectives through the *Strategic Framework 2009-2015*, and performance mapping enables the Association to meet the six identified hallmarks of a well-run charity as contained in CC10

- Clear about its purposes and direction
- A strong Board of Trustees
- Fit for purpose
- Learning and improving
- Financially sound and prudent
- Accountable and transparent

However, the Board and the Association recognise the need to continue to improve and refine governance activities and processes to ensure continued success, based on the goals contained in the *Strategic Framework 2009-2015*, including commitment to excellence in leadership and governance

#### Grant making

Types of grants made available through the Association include those for research project grants,

PhD studentships and Clinical Research Fellowships. In addition, the Association makes health and social care grants which aim to create an evidence base to fill gaps in our clinical evidence, which in turn will improve quality of care for people with MND

We publish our application process and decision-making process on our website

Grants are also made to establish specialist MND Care Centres. Applications from clinical and community neurology services are considered by the Association's Care Development Advisory Panel before being submitted to the Board for approval

#### Risk management

A comprehensive register of potential risks to the Association, based on the PEST analysis contained within the *Strategic Framework 2009-2015* and Charity Commission Guidelines, is reviewed at committee meetings and Board meetings

The trustees are pleased to report that all identifiable strategic and major operational risks to which the Association is exposed have been reviewed and systems established to manage and mitigate those risks

#### Environmental impact

Minimising the Association's impact on the environment has two important outcomes: the reduction of our carbon footprint, and money saved from improved environmental management is diverted directly to resources for people with MND. Minimising our environmental impact means reviewing Association-wide activities from resource use, waste, travel and purchasing. An environmental management group has been established to initiate and monitor changes to processes and practices that will reduce the Association's carbon footprint. Targets exist for this programme of reduction and are reported on to the Board

#### Public benefit

The Charities Act 2006 reinforces the 'public benefit requirement' by explicitly including public benefit in the definition of a charitable purpose. The Association believes that it meets the 'purposes test'



## REFERENCE AND ADMINISTRATIVE DETAILS AND FINANCIAL INFORMATION AND STATEMENTS

### President

Prof Colin Blakemore FMedSci Hon FRCP FRS

### Trustees

Mark Todd – *Chair, from 11 September 2010*

Alan Graham MBE – *Chair, until 11 September 2010*

Alan Horwell – *Vice-Chair, until 27 October 2010*

Dr Jean Waters – *Vice-Chair, elected by the trustees 3 December 2010*

David Gray – *Honorary Treasurer*

Peter Bickley

Anne Bulford – *elected 11 September 2010*

Juliet Draper

Cynthia Hopkins – *re-elected 11 September 2010*

Barbara Howe

Dr Christina Lloyd – *re-elected 11 September 2010*

Alan Newton

Alun Owen

Prof Victor Patterson

Nalin Shukla

Dr Hilary Walklett

Prof Brian Wilson – *re-elected 11 September 2010*

### Chief Executive

Dr Kirstine Knox

### Secretary

Dr Kirstine Knox

### Registered office

David Niven House

10-15 Notre Dame Mews

Northampton

NN1 2BG

### Professional advisers

#### STATUTORY AUDITORS

Sayer Vincent

8 Angel Gate

City Road

London

EC1V 2SJ

#### INTERNAL AUDITORS

RSM Tenon Limited

St Matthew's House

6 Sherwood Rise

Nottingham

NG7 6JF

#### SOLICITORS

Bates, Wells & Braithwaite London LLP

2-6 Cannon Street

London

EC4M 6YH

#### Tollers

2 Castilian Street

Northampton

NN1 1JX

#### BANKERS

Lloyds TSB Bank plc

Public and Community Sector

3rd Floor

25 Gresham Street

London

EC2V 7HN

HSBC Bank plc

St Clair House

5 Old Bedford Road

Northampton

NN4 7AA

#### INVESTMENT MANAGERS

CCLA Investment Management Ltd

80 Cheapside

London

EC2V 6DZ

## FINANCES

### Investment Policy

The Investment Policy encompasses the trustees' dual responsibilities to optimise returns on the Association's reserves while at all times paying due regard to the control of risk

The Association's investments will be restricted to cash deposits, near cash and generally recognised cash equivalents (including but not limited to Certificates of Deposit and other short term paper) The minimum acceptable credit rating is A, excepting any paper or issuer on Negative Watch with any Rating Agency

### Review of finance activities

The charity is a company limited by guarantee and owns a trading company, Motor Neurone Disease (Sales) Ltd, which is registered in England and Wales These financial statements are of the Group, which comprises both the charity and the trading company

The results for the year are set out in the *Consolidated Statement of Financial Activities* This format is in accordance with the *Accounting and Reporting by Charities Statement of Recommended Practice (SORP)*

### Neurological Commissioning Support Limited

The charity is an equal partner with the Multiple Sclerosis Society and Parkinson's UK in Neurological Commissioning Support Limited (NCS) NCS focuses on improving the local commissioning of health and social care services for the benefit of people living with MND, MS and Parkinson's It was incorporated on 4 February 2011

### Branches

The branches, whose financial results are included in these statements, are governed by the Board of Trustees, and a branch charter is signed each year by the management committee of each branch

On 31 January 2011, the Association had 7,548 members, 66 active branches and 26 groups in England, Wales and Northern Ireland The Association is also affiliated with three offshore island organisations (Isle of Man, Jersey and Guernsey), although the accounts for these three organisations are not included in this *Annual Report*

### Cash flow

The Association's cash outflow exceeded inflow by £795,000 in the year, although cash reserves and invested funds remained healthy at £8.6 million

### Reserves

In setting the reserves policy, the trustees are guided by the need to ensure continuity and consistency of finance for the work of the Association and balance this with the desire to maximise progress in its care and research programmes The trustees are also mindful of the wishes of donors and the need for transparency in reporting the financial position of the Association, and recognise that cash as opposed to non-cash assets is the basis for operational security

The Reserves Policy is

- To hold 6-9 months general expenditure in cash on a combined national office and branch basis, and
- Net non-cash current assets should represent 0-2 months general expenditure

This provides greater flexibility in managing the monetary resources of the Association For the purposes of this policy, cash balances are calculated after deducting restricted funds

Cash and readily realisable investments at 31 January 2011 totalled £8.6 million, or £6.4 million after deducting restricted balances This represents six months general expenditure and is therefore at the lower end of the target level

Non-cash net current assets were negative at 31 January 2011 due to the amount of research grant commitments, which total over £4 million, but trustees do not believe this hampers the work of the Association or causes any significant financial risk

Legacy debtors at 31 January 2011 have fallen and income expectations for 2011/12 have reduced accordingly

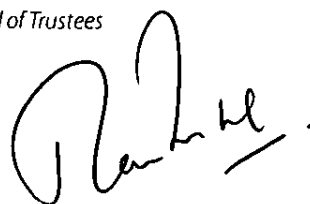
The Association holds restricted funds donated for a number of purposes, including biomedical research and the support of care development activities Details of restricted funds are contained in note 19 to the financial statements

### Re-appointment of auditors

A resolution to re-appoint Sayer Vincent as the Association's auditors will be proposed at the Annual General Meeting

### Mark Todd

Chair - Board of Trustees  
16 July 2011



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE MOTOR NEURONE DISEASE ASSOCIATION

## Report of the independent auditors of the members of the Motor Neurone Disease Association

We have audited the financial statements of MND Association for the year ended 31 January 2011 which comprise the consolidated statement of financial activities, balance sheets, cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. 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 auditors' 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**  
As explained more fully in the Trustees' Responsibilities Statement set out in the annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 43 of the Charities Act 1993 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**  
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial

statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## Opinion on financial statements

In our opinion the financial statements

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 January 2011, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 1993.

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 1993 requires us to report to you if, in our opinion:

- The parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- The parent charitable company financial statements are not in agreement with the accounting records and returns, or
- Certain disclosures of trustees' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit.

*Helen Elliott (Senior statutory auditor)*

19 July 2011

for and on behalf of Sayer Vincent Statutory Auditors  
8 Angel Gate, City Road, London EC1V 2SJ

Sayer Vincent is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# **Consolidated Statement of Financial Activities** **(incorporating an income and expenditure account)**

For the year ended 31 January 2011

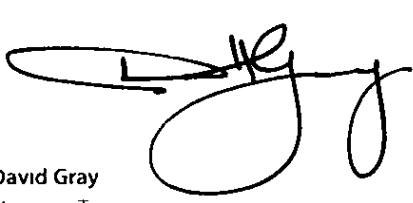
		Unrestricted Funds	Restricted Funds	Total Funds	
	Notes	£	£	2011 £	2010 £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income					
Donations & gifts	1a	5,374,088	3,053,901	<b>8,427,989</b>	7,093,065
Legacies		3,204,351	47,937	<b>3,252,288</b>	3,147,639
Sub total Voluntary income		8,578,439	3,101,838	<b>11,680,277</b>	10,240,704
Activities for generating funds					
Merchandising income		137,224	-	<b>137,224</b>	139,362
Fundraising		780,104	55,176	<b>835,280</b>	840,988
Investment income					
Interest receivable		27,568	-	<b>27,568</b>	83,158
Incoming resources from charitable activities					
Conference income		340,773	-	<b>340,773</b>	368,076
Information leaflets		8,194	-	<b>8,194</b>	3,463
Other income	1b	14,670	-	<b>14,670</b>	14,342
<b>Total incoming resources</b>		<b>9,886,972</b>	<b>3,157,014</b>	<b>13,043,986</b>	<b>11,690,093</b>
<b>Resources expended</b>					
Costs of generating funds					
Fundraising costs		2,779,200	45,000	<b>2,824,200</b>	2,610,678
Merchandising and fundraising events		396,788	-	<b>396,788</b>	308,091
Sub total Cost of generating funds		3,175,988	45,000	<b>3,220,988</b>	2,918,769
Charitable activities					
Care and Research grants		1,864,597	2,537,489	<b>4,402,086</b>	3,891,985
Care development		4,166,113	1,002,850	<b>5,168,963</b>	4,494,757
Research development		595,546	265,156	<b>860,702</b>	860,039
Volunteer development		1,320,189	2,500	<b>1,322,689</b>	1,436,888
Governance costs		107,309	-	<b>107,309</b>	141,979
Sub total Direct charitable expenditure		8,053,754	3,807,995	<b>11,861,749</b>	10,825,648
<b>Total resources expended</b>	5	<b>11,229,742</b>	<b>3,852,995</b>	<b>15,082,737</b>	<b>13,744,417</b>
<b>Net expenditure for the year</b>	3	<b>(1,342,770)</b>	<b>(695,981)</b>	<b>(2,038,751)</b>	<b>(2,054,324)</b>
Unrealised gains/(losses) on investment assets	15	72,278	-	<b>72,278</b>	(3,819)
<b>Net movement in funds</b>		<b>(1,270,492)</b>	<b>(695,981)</b>	<b>(1,966,473)</b>	<b>(2,058,143)</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 February 2010		6,365,000	2,815,048	<b>9,180,048</b>	11,238,191
<b>Fund balances carried forward at 31 January 2011</b>		<b>5,094,508</b>	<b>2,119,067</b>	<b>7,213,575</b>	<b>9,180,048</b>

All movement on reserves and recognised gains and losses are shown above, and all activities are continuing  
The movement on restricted funds is shown in note 19

**FINANCIAL STATEMENTS****Balance Sheets**

As at 31 January 2011

	Notes	Group		Charity	
		2011 £	2010 £	2011 £	2010 £
<b>Fixed assets</b>					
Tangible fixed assets	11	523,802	554,719	523,802	554,719
Investments	12	-	-	2	2
		<u>523,802</u>	<u>554,719</u>	<u>523,804</u>	<u>554,721</u>
<b>Current assets</b>					
Stocks	13	10,298	5,202	-	-
Debtors and prepayments	14	3,291,346	3,773,734	3,375,660	3,862,999
Investments	15	1,592,183	1,519,905	1,592,183	1,519,905
Short term deposits		2,622,675	3,612,349	2,622,675	3,612,349
Bank deposits		4,394,504	4,201,524	4,240,778	3,987,539
Cash in hand		2,860	1,130	2,860	1,130
		<u>11,913,866</u>	<u>13,113,844</u>	<u>11,834,156</u>	<u>12,983,922</u>
<b>Creditors</b>					
Amounts falling due within one year	16	5,054,937	4,237,851	5,018,634	4,151,336
		<u>6,858,929</u>	<u>8,875,993</u>	<u>6,815,522</u>	<u>8,832,586</u>
<b>Net current assets</b>					
		<u>6,858,929</u>	<u>8,875,993</u>	<u>6,815,522</u>	<u>8,832,586</u>
<b>Total assets less current liabilities</b>		<u>7,382,731</u>	<u>9,430,712</u>	<u>7,339,326</u>	<u>9,387,307</u>
<b>Creditors</b>					
Amounts falling due after more than one year	17	169,156	250,664	169,156	250,664
<b>Net assets</b>	20	<u>7,213,575</u>	<u>9,180,048</u>	<u>7,170,170</u>	<u>9,136,643</u>
<b>Accumulated funds</b>					
Restricted funds	19	2,119,067	2,815,048	2,119,067	2,815,048
Unrestricted funds					
Unrestricted funds		5,051,103	6,321,595	5,051,103	6,321,595
Funds retained in subsidiary		43,405	43,405	-	-
		<u>7,213,575</u>	<u>9,180,048</u>	<u>7,170,170</u>	<u>9,136,643</u>



David Gray  
Honorary Treasurer  
16 July 2011

**Consolidated Cashflow Statement**

For the year ended 31 January 2011

	2011 £	2010 £
<b>Reconciliation of changes in resources to net cash inflow from operating activities</b>		
<b>Group</b>		
Net expenditure	(2,038,751)	(2,054,324)
Depreciation charged	339,776	268,819
Income from bank interest	(27,568)	(83,158)
Decrease/(Increase) in stock	(5,096)	1,147
Decrease in debtors	482,388	1,226,249
Increase in investments	-	(1,500,000)
Increase in creditors	735,578	741,358
<b>Net cash outflow from operating activities</b>	<b>(513,673)</b>	<b>(1,399,909)</b>
<b>Returns on investments and servicing of finance</b>		
Income from bank interest	27,568	83,158
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>27,568</b>	<b>83,158</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(308,859)	(426,103)
<b>Net cash outflow from investing activities</b>	<b>(308,859)</b>	<b>(426,103)</b>
<b>Decrease in cash in the period (note 21)</b>	<b>(794,964)</b>	<b>(1,742,854)</b>

## STATEMENT OF ACCOUNTING POLICY

### Principal accounting policy

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and in accordance with the *Accounting and Reporting by Charities Statement of Recommended Practice* (revised March 2005), and the Companies Act 2006

### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention

### Consolidated financial statements

Consolidated financial statements have been prepared for the charity and its wholly owned subsidiary, Motor Neurone Disease (Sales) Limited. The results of this subsidiary have been included in the Consolidated Statement of Financial Activities on a line by line basis with the results of the charity.

In accordance with the Companies Act 2006, a separate Statement of Financial Activities for Motor Neurone Disease Association has not been prepared

### Branch operations

The charity comprises the national office and an extensive network of branches located in England, Wales and Northern Ireland. All branch and national office financial information is consolidated using conventional accounting standards.

The charity monitors branch operations through the branch charter and the guidelines set by the trustees.

### Legacy income

Income from legacies is accounted for on a receivable basis so long as entitlement, certainty of receipt and measurability conditions have been satisfied.

### Recognition of income and expenditure

Income from all sources other than events and conferences is credited to the Consolidated Statement of Financial Activities when receivable. Expenditure is accounted for on an accruals basis.

Income for events and conferences is recognised in the Consolidated Statement of Financial Activities in the financial period when the event takes place. Income relating to events occurring in a future

accounting period is deferred until the event takes place.

Income receivable to which a specific purpose has been defined by the donor is included in restricted funds. Expenditure which meets the defined purpose of the donation is matched to the income and charged to that restricted fund.

General donations and income derived for the objectives of the Association, and on which there are no restrictions as to their disposition, are recorded as unrestricted funds.

### Capital grants

Grants for the purchase of fixed assets are credited as income to the restricted fund when receivable.

When the fixed asset itself is subsequently purchased with these grants, it is capitalised and depreciated in accordance with the policy on page 24, and the depreciation is charged against the restricted fund.

### Donated shares

Donated shares are valued at market value at the date of gift and credited as income in the Statement of Financial Activities. In line with the trustees' investment policy, donated shares are sold at the earliest opportunity. Shares held at the year end are carried in the balance sheet at market value at that date, and are classified as current asset investments.

### Contributions to pension funds

The charity operates a group personal pension plan scheme for its employees. Contributions are charged to the Consolidated Statement of Financial Activities in the period to which they relate.

### Grants payable

The Board of Trustees approves the whole life cost of each grant. Grants however become payable following an annual review of progress to date. Grants payable for the year approved are included in the Consolidated Statement of Financial Activities when this annual review is undertaken.

### Allocation of costs incurred in respect of more than one activity

Support costs are allocated to activities on the basis of the number of staff involved in the activities.

## STATEMENT OF ACCOUNTING POLICY

Support costs are the costs of general management, accounting and budgeting, payroll administration, information and communications technology, human resources and facilities provision. Allocations are made across the charitable activities of care and research grant making, care development, research development and volunteer development and also to costs of generating funds and governance. Certain other costs are incurred in respect of more than one activity. Where the costs, primarily staff employment costs, travel and associated expenses, cannot be directly attributed to a single activity, they are allocated on the basis of the number of staff and time involved across the activities of care development, research development, care and research grant activity, volunteer development, costs of generating funds, and governance.

Costs of generating funds comprise the costs incurred in producing materials for promotional activities, public relations, raising funds for the Association, and the employment and establishment costs of the staff involved in these activities and allocated support costs.

Governance costs relate to the costs of running the Association and the branches, such as the costs of audit and statutory compliance, meetings, trustees' expenses, organisational development, the employment and establishment costs of the staff involved and allocated support costs.

### Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

### Taxation

As a registered charity, the Association benefits from being exempt from corporation tax on its charitable income.

The Association is not registered for VAT purposes. This is due to the fact that the majority of the

charity's income is exempt from VAT, and thus to the extent that VAT is suffered on its purchases of goods and services, the Association is unable to reclaim this VAT.

The subsidiary company, as a trading company, is subject to corporation tax on the profits retained, after due allowance for the Gift Aid payment made to the Association. It is also registered for VAT.

### Tangible fixed assets

Equipment costing less than £750 per individual item is written off to the Consolidated Statement of Financial Activities as expenditure. All other equipment is capitalised at purchase price, including irrecoverable VAT.

Equipment is depreciated on a straight line basis over its estimated useful economic life at the following rates. Depreciation is charged at half the full annual rate in the year of acquisition, and again by half in the year of disposal.

Fixtures and fittings	5 years
Care equipment	3 years
Computer and other equipment	2 years
Computer software	4 years

### Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**1a Donations and gifts**

	2011 £	2010 £
Individuals	2,879,394	2,454,281
Charitable foundations and other grantors (see note 2)	1,050,299	1,157,543
Corporate donations	527,050	323,133
Appeals	891,241	737,915
Voluntary fundraising	2,386,012	1,746,134
Tax recovered	693,993	674,059
	<b>8,427,989</b>	<b>7,093,065</b>

**1b Other income**

	2011 £	2010 £
Costs recovered	8,000	8,000
Royalties	1,040	2,262
Advertising	5,630	4,080
	<b>14,670</b>	<b>14,342</b>

**2 Grants receivable**

During the year, the following grants of £5,000 and above were receivable

	2011 £		2011 £
The Milly Apthorp Charitable Trust*	300,000	The Benindi Fund	8,500
The Heaton-Ellis Trust	101,470	The Constance Travis Charitable Trust	6,000
The Garfield Weston Foundation	100,000	The Ofenheim Charitable Trust	5,000
The Department of Health	35,000	The Anson Charitable Trust	5,000
The Bruce Wake Charitable Trust	25,000	The Edith Murphy Foundation	5,000
The Freemasons' Grand Charity	25,000	The Evan Cornish Foundation	5,000
The George Davies Charitable Trust	25,000	The Eveson Charitable Trust	5,000
The Orr Mackintosh Foundation Limited	21,000	The G J W Turner Trust	5,000
The Robert Barr Charitable Trust	20,000	The Harry Cureton Charitable Trust	5,000
The F Glenister Woodger Trust	18,000	The John Coates Charitable Trust	5,000
The Childwick Trust	15,000	The John Young Charitable Settlement	5,000
The Elizabeth & Prince Zaiger Trust	12,000	The Jordan Charitable Foundation	5,000
The Peacock Charitable Trust	12,000	The Kirby Laing Foundation	5,000
The Billmeir Charitable Trust	10,000	The Myristica Trust	5,000
The Enid Linder Foundation	10,000	The R D Turner Charitable Trust	5,000
The Sovereign Health Care Charitable Trust	10,000	The Rayne Foundation	5,000
The William Brake Charitable Trust	10,000	Others	216,329
	<b>Total</b>		<b>1,050,299</b>

\*The Milly Apthorp Charitable Trust grant was given as a tribute to the late Lawrence J Edison of Canons Park Edgware Middlesex

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**3 Net expenditure and net movement in funds**

This arises after charging

	2011 £	2010 £
Auditors' remuneration		
Internal Audit (RSM Tenon)	7,125	-
External Audit (Sayer Vincent)	19,000	18,500
Branch Auditors' remuneration	15,160	14,830
Operating lease rentals		
- motor vehicles	173,308	142,357
- land and buildings	182,237	204,775
Depreciation of owned assets	<u>339,777</u>	<u>268,819</u>

**4 Trustees' emoluments and expenses**

The Trustees neither received nor waived any emoluments during the year (2010 £nil) Travel, subsistence, conference and meetings expenses were incurred during the period and totalled £28,063 (2010 £30,012) These expenses were all incurred in the course of their duties and were reimbursed, or paid on behalf of, a total of 17 Trustees (2010 17)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**5 Total resources expended**

Resources expended on total activities represent the following direct and allocated costs

	Fundraising costs	Merchandising and fundraising event costs	Care and research grants payable	Care development	Research development	Volunteer development	Governance costs	Total 2011	Total 2010
	£	£	£	£	£	£	£	£	£
Staff employment and travel costs	1,697,744	-	17,962	3,081,035	429,702	921,076	49,928	6,197,447	5,599,909
Establishment costs	282,241	-	19,929	439,117	73,277	140,839	5,172	960,575	986,373
Volunteers' expenses	2,560	-	12	64,161	2,390	93,166	70	162,359	146,389
Equipment loan service	-	-	-	944,701	-	-	-	944,701	885,971
Patient care and grants	-	-	1,266,716	364,292	-	-	-	1,631,008	1,463,243
Conferences and meetings	-	-	-	95,280	332,626	127,812	-	555,718	599,919
Care Centre grants	-	-	568,930	-	-	-	-	568,930	639,195
Research and studentship grants	-	-	2,528,537	-	-	-	-	2,528,537	2,100,632
Other research costs	-	-	-	-	328	-	-	328	343
Publications and information	-	-	-	96,779	1,878	-	-	98,657	73,096
Membership services	-	-	-	-	-	39,796	-	39,796	48,726
International Alliance	-	-	-	-	10,000	-	-	10,000	13,000
Publicity, public relations and printing	22,370	-	-	59,429	6,477	-	-	88,276	80,864
Fundraising	781,238	104,074	-	-	-	-	-	885,312	801,208
Fundraising events	8,047	292,714	-	6,169	4,024	-	-	310,954	217,681
Legal and professional	30,000	-	-	18,000	-	-	18,324	66,324	50,727
Trustees' expenses and development	-	-	-	-	-	-	28,063	28,063	30,012
Annual General Meeting	-	-	-	-	-	-	5,752	5,752	7,129
	<u>2,824,200</u>	<u>396,788</u>	<u>4,402,086</u>	<u>5,168,963</u>	<u>860,702</u>	<u>1,322,689</u>	<u>107,309</u>	<u>15,082,737</u>	<u>13,744,417</u>

Included within the resources expended is irrecoverable VAT that amounts to £296,746 (2010: £227,223)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**5 Total resources expended (cont.)**

Total resources expended are further analysed as follows

	Activities undertaken directly £	Grant funding of activities £	Support costs £	<b>Total 2011 £</b>	Total 2010 £
Care and research grants (note 7)	-	4,364,183	37,903	<b>4,402,086</b>	3,891,985
Care development	4,287,609	-	881,354	<b>5,168,963</b>	4,494,757
Research development	704,712	-	155,990	<b>860,702</b>	860,039
Volunteer development	1,043,828	-	278,861	<b>1,322,689</b>	1,436,888
Governance	52,139	-	55,170	<b>107,309</b>	141,979
<b>Costs of charitable activity</b>	<b>6,088,288</b>	<b>4,364,183</b>	<b>1,409,278</b>	<b>11,861,749</b>	10,825,648
Fundraising, merchandising and events	2,635,063	-	585,925	<b>3,220,988</b>	2,918,769
<b>Total resources expended 2011</b>	<b>8,723,351</b>	<b>4,364,183</b>	<b>1,995,203</b>	<b>15,082,737</b>	
Total resources expended 2010	7,918,154	3,854,084	1,972,179		13,744,417

**6 Support costs**

Support costs are allocated to activities as follows

	Fundraising £	Care and research grants £	Care development £	Research development £	Volunteering development £	Governance £	<b>Total 2011 £</b>	Total 2010 £
Management	66,745	3,999	101,382	34,625	31,641	23,334	<b>261,726</b>	269,319
Finance	95,796	5,739	145,510	20,529	45,414	24,719	<b>337,707</b>	346,217
Information and Communications								
Technology	131,275	7,865	195,480	28,131	61,195	1,985	<b>425,931</b>	374,848
Facilities	143,294	11,384	212,938	40,815	70,063	2,881	<b>481,375</b>	497,001
Human Resources	148,815	8,916	226,044	31,890	70,548	2,251	<b>488,464</b>	484,794
	<u>585,925</u>	<u>37,903</u>	<u>881,354</u>	<u>155,990</u>	<u>278,861</u>	<u>55,170</u>	<b>1,995,203</b>	1,972,179

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**7 Grants payable**

Grants were payable during the year as follows

	2011 £	2010 £
Grants to institutions	<b>3,019,420</b>	2,634,827
Grants to individuals	<b>1,344,763</b>	1,219,257
	<b><u>4,364,183</u></b>	<b><u>3,854,084</u></b>

Grants made to, and for, individuals affected by Motor Neurone Disease are for expenses such as respite care, building adaptations and equipment rental and benefited a large number of individuals through the Association's network of regions and branches

	Unrestricted £	Restricted £	2011 £	2010 £
Balance at start of year	3,328,036	250,664	<b>3,578,700</b>	2,795,294
Awarded in the year	4,364,183	-	<b>4,364,183</b>	3,854,084
Paid in year	<u>(3,597,935)</u>	<u>(81,508)</u>	<b><u>(3,679,443)</u></b>	<b><u>(3,070,678)</u></b>
Balance at end of year	<u>4,094,284</u>	<u>169,156</u>	<b><u>4,263,440</u></b>	<b><u>3,578,700</u></b>
Falling due within one year (note 16)	4,094,284	-	<b>4,094,284</b>	3,328,036
Falling due after more than one year (note 17)	<u>-</u>	<u>169,156</u>	<b><u>169,156</u></b>	<b><u>250,664</u></b>

During the year, grants in excess of £1,000 were payable to the following institutions

	2011 £		2011 £
Institute of Psychiatry, London	532,102	Institute of Cell & Molecular Science, London	57,130
University of Edinburgh	356,197	Lab Molecular Neurobiology, Milan	51,500
Sheffield Institute for Translational Neuroscience	244,988	Addenbrookes Hospital, Cambridge	49,055
University of Birmingham	244,765	James Cook University Hospital, Middlesbrough	49,020
University of Sheffield	225,758	Southampton General Hospital	48,040
Institute of Neurology, London	152,141	Hope Hospital, Manchester	43,043
Oxford University	129,751	Leeds General Infirmary	41,250
University of Liverpool	119,138	Royal Preston Hospital	37,498
Nuffield Orthopaedic Centre, Oxford	100,890	Queen's Medical Centre, Nottingham	30,000
Medical Research Council, Edinburgh	95,146	National Hospital, London	26,000
Oxford Biomedica	84,053	University of Wales, Cardiff	20,696
Plymouth NHS Trust	66,793	Cancer Research UK	10,000
Imperial College, London	64,240	University of Nottingham	10,000
King's College, London	60,853	ORH Charitable Funds	1,700
The Walton Centre, Liverpool	58,723	Others	8,950
	<b>Total</b>		<b><u>3,019,420</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**8 Staff costs and emoluments**

The average number of persons (full time equivalent) employed by the charity during the year is shown below

	2011	2010
Care development	68	60
Research development	9	8
Volunteer development	21	25
Fundraising	45	40
Governance	2	1
Total employees	<u>145</u>	<u>134</u>

The employment costs of all these employees were

	2011 £	2010 £
Gross wages and salaries	4,644,087	4,263,420
Social security costs	487,604	449,370
Other pension costs	257,728	237,379
	<u>5,389,419</u>	<u>4,950,169</u>

The total number of employees whose emoluments for the year (not including pension contributions) fell within the following bands, were

	2011	2010
£100,000 - £109,999	1	-
£90,000 - £99,999	-	1
£70,000 - £79,999	1	1
£60,000 - £69,999	4	3

The employer's contributions to personal pension plans for the above employees amounted to £32,340 (2010 £29,274)

**9 Pension costs**

The Association operates defined contribution personal pension plans for employees. The assets of the schemes are held separately from those of the Association in funds independently administered by Standard Life. The amounts paid to the funds represent contributions from both the employer and employees. The employer's contributions amounted to £257,728 (2010 £237,379).

**10 Taxation**

The Association is a registered charity, and is exempt from corporation tax, income tax and capital gains tax as all its income is charitable and is applied for charitable purposes.

The subsidiary company is liable for corporation tax on the profits retained. This was nil in 2011 (2010 Nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**11 Tangible fixed assets**

<b>Group and Charity</b>	Care equipment £	Computers software, fixtures fittings and equipment £	Total £
<b>Cost</b>			
At 1 February 2010	1,616,164	994,827	2,610,991
Additions	241,760	67,099	308,859
<b>At 31 January 2011</b>	<b>1,857,924</b>	<b>1,061,926</b>	<b>2,919,850</b>
<b>Depreciation</b>			
At 1 February 2010	1,166,124	890,148	2,056,272
Charged in the year	266,272	73,504	339,776
<b>At 31 January 2011</b>	<b>1,432,396</b>	<b>963,652</b>	<b>2,396,048</b>
<b>Net book value</b>			
<b>At 31 January 2011</b>	<b>425,528</b>	<b>98,274</b>	<b>523,802</b>
At 31 January 2010	450,040	104,679	554,719

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**12 Fixed asset investments**

The Association owns a wholly owned subsidiary company, Motor Neurone Disease (Sales) Limited, which is registered in England and Wales. This subsidiary operates mail order catalogues selling promotional clothing, gifts and cards, runs challenge events and other fundraising events and gift aids a proportion of its taxable profits to the Association each year. Audited accounts are filed with the Registrar of Companies, and below is a summary of its trading results for the year ended 31 January 2011.

**Motor Neurone Disease (Sales) Limited Profit and Loss Account**

	2011 £	2010 £
Turnover	528,322	438,716
Cost of sales	(378,494)	(269,044)
Gross profit	149,828	169,672
Administration costs	(7,460)	(6,443)
Profit before interest and tax	142,368	163,229
Net interest payable	(500)	(283)
Net profit	141,868	162,946
Amount gift aided to the charity	(141,868)	(162,946)
<b>Result for the year</b>	-	-
Corporation tax	-	2
<b>Result retained in the subsidiary</b>	-	2

The aggregate of the assets, liabilities and funds was

	2011 £	2010 £
Assets	276,789	321,094
Liabilities	(233,382)	(277,687)
Funds (representing 2 ordinary shares of £1 each)	43,407	43,407

The investment held by the Charity of £2 (2010: £2) represents shares in the subsidiary company at cost.

**13 Stocks**

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Purchased goods for resale	10,298	5,202	-	-



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**14 Debtors**

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Loan to subsidiary company	-	-	20,000	20,000
Amounts due from subsidiary company	-	-	177,080	171,172
Legacies	2,943,328	3,159,800	2,943,328	3,159,800
Other debtors	34,519	140,741	5,374	94,133
Income tax reclaimable	98,582	322,941	98,582	322,941
Prepayments	214,917	150,252	131,296	94,953
	<u>3,291,346</u>	<u>3,773,734</u>	<u>3,375,660</u>	<u>3,862,999</u>

**15 Current asset investments**

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Market value at 1 February 2010	1,519,905	23,724	1,519,905	23,724
Funds invested during year	-	1,500,000	-	1,500,000
Net gain/(loss) on revaluation	72,278	(3,819)	72,278	(3,819)
Market value at 31 January 2011	<u>1,592,183</u>	<u>1,519,905</u>	<u>1,592,183</u>	<u>1,519,905</u>

The investments held at 31 January 2011 and 1 February 2010 comprised funds invested with CCLA Investment Management Ltd in an account linked to Government securities and stocks, and shares listed on recognised UK stock exchanges with the exception of one de-listed investment of shares, for which an estimated valuation has been included. The market for shares held by the Association is very limited and it has not been possible for any disposals to be effected.

**16 Creditors: amounts falling due within one year**

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	658,993	624,297	627,629	543,898
Accruals	95,333	125,670	94,333	124,670
Other creditors	4,162,043	3,359,185	4,158,104	3,354,069
Payroll taxation and social security	138,568	128,699	138,568	128,699
	<u>5,054,937</u>	<u>4,237,851</u>	<u>5,018,634</u>	<u>4,151,336</u>

Other creditors include liability for research grants of £4,094,284 (2010: £3,328,036), up to the end of the following financial year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**17 Creditors: amounts falling due after more than one year**

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Other creditors	<u>169,156</u>	<u>250,664</u>	<u>169,156</u>	<u>250,664</u>

The amount of £169,156 represents the commitment, in addition to that provided in Note 16, for the completion of a research contract with the Medical Research Council, where the agreement does not protect the Association financially should the project terminate prematurely

**18 Called up share capital**

The Association is a company limited by guarantee and has no share capital

**19 Restricted funds**

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for the specific purposes stated

	Balance at 1 February 2010	Incoming resources	Resources expended	Balance at 31 January 2011
Group and Charity:	£	£	£	£
Research and studentships	1,251,479	1,403,053	(1,647,039)	<b>1,007,493</b>
Research Foundation	1,197,627	375,000	(926,655)	<b>645,972</b>
Care Centres	50,654	186,307	(228,950)	<b>8,011</b>
Care development	105,196	1,012,056	(895,695)	<b>221,557</b>
Branches	210,092	135,598	(109,656)	<b>236,034</b>
Other	-	45,000	(45,000)	-
	<u>2,815,048</u>	<u>3,157,014</u>	<u>(3,852,995)</u>	<u><b>2,119,067</b></u>

The balance on each fund represents the residual income of grants made for the specific purpose of the fund, and for which the relevant expenditure has not yet been incurred

**20 Analysis of net assets between funds**

	Restricted funds	Unrestricted funds	Total funds
Group	£	£	£
Fund balances at 31 January 2011 are represented by			
Fixed assets	-	523,802	<b>523,802</b>
Net current assets	2,288,223	4,570,706	<b>6,858,929</b>
Creditors: amounts falling due after more than one year	(169,156)	-	<b>(169,156)</b>
<b>Total net assets</b>	<u>2,119,067</u>	<u>5,094,508</u>	<u><b>7,213,575</b></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 January 2011

**21 Analysis of changes in cash and net funds**

Group	Balance 1 February 2009 £	Cash flow changes £	Balance 1 February 2010 £	Cash flow changes £	Balance 31 January 2011 £
<b>Net cash</b>					
Short term deposits	5,590,809	(1,978,460)	3,612,349	(989,674)	<b>2,622,675</b>
Bank deposits	3,964,885	236,639	4,201,524	192,980	<b>4,394,504</b>
Cash in hand	2,163	(1,033)	1,130	1,730	<b>2,860</b>
<b>Net funds</b>	<u>9,557,857</u>	<u>(1,742,854)</u>	<u>7,815,003</u>	<u>(794,964)</u>	<u><b>7,020,039</b></u>

**22 Financial commitments**

At 31 January the charity and the group had the following annual commitments in respect of operating leases

Group and Charity	2011 Land and buildings £	2011 Other £	2010 Land and buildings £	2010 Other £
Expires within one year	<b>63,541</b>	<b>54,896</b>	39,825	9,084
Expires between one and two years inclusive	-	<b>1,064</b>	-	73,680
Expires between two and five years inclusive	<b>136,960</b>	<b>133,293</b>	11,000	-
Expires after more than five years	-	-	118,000	-
	<u><b>200,501</b></u>	<u><b>189,253</b></u>	<u>168,825</u>	<u>82,764</u>

Note The lease on David Niven House expires in 2015 and a dilapidations reserve will be created in the year to 31 January 2012

At 31 January the charity and group had the following commitments in respect of grants payable for research projects, postgraduate studentships and Care Centres

Group and Charity	2011 £	2010 £
Payable within one year	<b>2,032,843</b>	1,916,773
Payable in years two to five	<b>1,600,355</b>	1,643,955
	<u><b>3,633,198</b></u>	<u>3,560,728</u>

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Registered Charity No 294354 Company Limited by Guarantee No 2007023

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AnnReport/11