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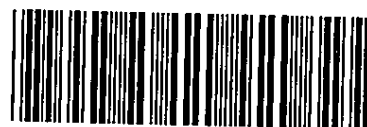
motor neurone disease
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Annual Report and Financial Statements

For the year ended 31 January 2010

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BUCKINGHAM PALACE

Over the past 30 years, the MND Association has grown to become a leader in the funding and promotion of cutting-edge MND research, both within the UK and across the globe. Its innovative research work and pioneering collaborative spirit within the research community is yielding groundbreaking results and increasing our understanding of this cruel disease.

This year, the Association's focus on trying to identify causes of MND continues to bear fruit. A new gene responsible for a hereditary form of the disease was identified by Association-funded researchers based in the UK who worked in collaboration with researchers from around the world.

The provision of care, support and information dedicated to individuals who are living with MND is the other pillar of the Association's work and its network of 18 MND Care Centres providing co-ordinated care makes a world of difference to those who are affected by the disease. In May, in my first official engagement as Royal Patron of the MND Association, I opened the MND Care Centre at St Bartholomew's Hospital in London. Here I saw firsthand how the partnership between the MND Association, St Bartholomew's Hospital and The London NHS Trust directly benefits MND patients in Essex and East London.

As Royal Patron of the MND Association, I congratulate the Association on its progress over the last 30 years and I look forward to the coming year and the significant developments in care and research that the Association is progressing on behalf of everyone living with MND.

HRH The Princess Royal

CHAIRMAN'S REPORT

Delivering a world free of motor neurone disease (MND) has never been more important or felt more possible. Articulating and describing our journey is a critical element in measuring and demonstrating our progress towards this vision. That is why it is my pleasure, on behalf of the Board of Trustees, to deliver to you the *Annual Report and Financial Statements* of the Motor Neurone Disease Association ('The Association') for the year ended 31 January 2010.

This year we commemorated our 30th anniversary. Thirty years ago few people had heard of MND and even fewer knew how to care for people living with the disease. Families were left to cope alone. Determined to counter the ignorance and isolation people affected by MND then faced, and to raise funds for research into MND, a group of volunteers joined forces on 6 October 1979 to create the MND Association.

Our passion and commitment has not wavered from that time to now, but many of the ways we work have evolved as we have needed new skills and new approaches to strive towards our vision in a more challenging and complex world. For the Association to continue making the biggest positive difference for people with MND, we have to demonstrate more than ever a drive towards quality and value for money. And we must remain focused on achieving outcomes for people with MND, as enshrined in our charitable objects and endorsed by people with MND themselves through our regular surveys of their views and experiences.

OUR OBJECTS

Our two key charitable objects focus on supporting and serving people affected by MND. They are:

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

Our vision and mission

Our vision is a world free of MND. Our mission is to

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.

Strategic Framework 2009 - 2015

In February 2009 we launched our *Strategic Framework 2009 - 2015*. This framework addresses the rapid changes in the external environment, particularly the challenges of the significant changes to NHS, social services and other public sector spending and structures we expect over the next few years. These changes have implications for the Association's strategy, operations, funding and communications – and our response must strike an appropriate balance between exploiting opportunities to create value and mitigating the negative effects of more austere times. Our *Strategic Framework* goals focus on the outcomes we want to achieve for people affected by MND by 2015:

- 1 To enable people with MND to participate in research should they so wish, and realise the benefits of national and international research.
- 2 To empower people with MND to achieve the highest quality of life possible and to die with dignity.
- 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 life as possible.
- 4 To ensure the Association's staff and volunteers are working seamlessly to more effectively serve people with MND, their families and carers.
- 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.
- 6 To ensure the Association remains focused on achieving outcomes for people with MND, by exploiting the opportunities for creating value that changes in the external environment can bring.
- 7 To generate an income of between £19 million and £20 million, of which 83% of Association expenditure is allocated to our charitable purpose.

CHAIRMAN'S REPORT

You can read in greater detail about how we are progressing against our *Strategic Framework* goals and achieving positive outcomes for people with MND in our *Impact Report 2009/10 – Reporting against our Strategic Framework 2009 - 2015*

ACTIVITIES AND ACHIEVEMENTS

We have without doubt been operating in challenging economic and political times. Our response has been to focus on exploiting the opportunities these challenges bring, and to foresee and mitigate against potential negative impacts on people with MND and our own ability to deliver for them. Through this approach, and by remaining focused on our *Strategic Framework* goals, we have continued to make important strides towards our vision of a world free of MND.

Care and support: Delivering impact through our own services

In 2009/10 we provided financial help to 1,231 people with MND, giving grants totalling £791,000 to fund specialist equipment and communication aids, adaptations to the home, and respite care. This was an increase on 2008/09 of 120% - we believe this reflects the growing shortfall in public funding for such support, and we expect that the demands on us to fill this gap will continue to rise.

We also provided a range of equipment to people with MND, as we know this plays a vital role in improving their quality of life through helping them maintain independence and dignity. Demand for three out of the four core items we provide increased throughout 2009/10:

- Computer assisted technology and adaptations – 31.8% increase
- Lightwriters – 6.5% increase
- Riser-recliner armchairs – 2.3%
- Demand for our fourth core item – suction units – fell by 30.4%. We believe this is due to our success in influencing NHS and social services to fund and provide these.

Our 2009 survey of people with MND we're in touch with showed **high take-up and high satisfaction** with all of our services. Our MND Connect service, our information and equipment, and the support of our volunteers all scored satisfaction levels of 90% plus.

The David Carleton Paget (DCP) Wheelchair Service for people with MND, in conjunction with

the MND Association, aims to ensure that every person with MND has timely access to a wheelchair that meets their needs. At the end of 2009/10, 82 more wheelchairs were available for people with MND and 96 individuals had benefited from the service.

Volunteers play a critical role in providing support. In 2009/10, 373 Association visitors supported hundreds of families with MND, while our 13 MND Connect volunteers provided 900 hours of out-of-hours phone and email support. In addition, our 2009 survey of people with whom we're in touch showed that 73% are supported by one of our 92 branches and groups, and 96% are satisfied with this support.

HRH The Princess Royal opened our **18th MND care centre** at St Bartholomew's Hospital in London in May 2009. The centre provides people with MND in Essex and East London with a multi-disciplinary approach to patient care.

Care and support: Working regionally to improve care

We retained our strong focus on influencing health and social care providers to ensure people with MND in Wales and Northern Ireland receive high quality care and support. As the result of our influence as part of the Welsh Neurological Alliance, the Assembly Government's Welsh Neuroscience Review has accepted recommendations which will specifically improve services for people with MND, by creating greater access to specialist care and support.

An example of our success at a local level is the news that a unique community-based MND respiratory nurse specialist post – designed and originally funded by our West Sussex South Branch – has now received successful continued funding from West Sussex PCT. It means people with MND in the locality can have respiratory check-ups at home, with any problems quickly identified and referred to the relevant member of the patient's multi-disciplinary team or neurologist.

An innovative partnership between the Association, the Multiple Sclerosis Society and Parkinson's UK, the National Commissioning Support service (NCS) provides consultancy support to health and social care commissioners in improving care for people with neurological conditions including MND. It does this by reviewing services, addressing gaps and identifying solutions in the form of care pathways, thus ensuring resources are not wasted, while quality of care

CHAIRMAN'S REPORT

goes up Through its work in four areas – Bath and North East Somerset, Cumbria, Wandsworth and Gloucestershire – NCS has so far made a positive difference to the care received by thousands of people with MND, MS and Parkinson's, and is now being incorporated into a trading body

Care and support: Working nationally to improve care

In 2009 we became aware that some people with MND were experiencing difficulties in obtaining Rilutek (also known as riluzole) from pharmacies. We instigated discussions with the organisations involved in the drug's supply chain to ensure those people prescribed Rilutek can access it without delay. To provide future protection for people with MND taking Rilutek we have developed a new supply model in partnership with these organisations, to be put in place before the end of 2010.

In autumn 2009, we produced a manifesto calling for a **National Strategy for MND**. There is currently no official guidance on how to treat and care for people with MND, so our manifesto calls for a set of national guidelines to ensure that anyone living with MND, anywhere in the UK, has access to high quality, co-ordinated care and support. We believe a National Strategy for MND will place MND care and research on a par with other major neurological conditions which already have national guidelines, such as stroke and dementia, and will drive quality and value for money in statutory service provision.

At the end of 2009, the All-Party Parliamentary Group on MND ran an inquiry into access to specialist palliative care for people with MND. The inquiry found access to such services is patchy, services are fragmented, and funding is often under pressure. We will use the findings to lobby for improved access to specialist palliative and end of life care for people with MND, and to support our call for a National Strategy for MND.

In 2009, the National Institute for Health and Clinical Excellence (NICE) announced that work would start on a guideline for **non-invasive ventilation (NIV)** for people with MND. This was the outcome of our campaign to make NIV more accessible to people with MND, and we were a member of NICE's guideline development group. The final guideline was due to be published by NICE in July 2010.

The results from 'early implementer' sites in Leeds, Teesside and Derbyshire have demonstrated that our commissioning support tool *MND Year of Care*

Pathway is effective in helping providers benchmark their services for people with MND. By analysing their current services they are developing a better understanding of a patient's individual needs and the financial implications of meeting these, leading to improvements in care without extra costs. The results from the early implementer sites have informed the development of an electronic version of our *Pathway*, to be launched in 2010.

Research: Understanding the causes of MND

In February 2009 a new gene called FUS, responsible for a hereditary form of MND, was identified by Association-funded researchers based at King's College London, working in collaboration with colleagues in the US.

Association funding also supported work leading to the identification of a gene variation that appears to significantly influence length of survival of people with MND. The identification of this 'protective gene' is a first in the history of MND research. UK researchers working in partnership with US researchers discovered the gene in May 2009.

In addition, an international collaboration, including Association-funded investigators, has identified potential new regions of the human genome associated with an increased susceptibility to sporadic (non-hereditary) MND.

Identifying genes that increase susceptibility to MND enables us to learn more about the causes of MND and in time to develop better treatments.

Research: Identifying disease markers

Care and support of people with MND, as well as research, is being held back by the lack of an early diagnostic test and predictable markers of disease progression. Early results from an Association-funded longitudinal study using MRI scanning techniques shows striking and consistent differences between people with MND and healthy 'control' individuals. These findings hold some early promise for an eventual test for MND that might reduce the delay in diagnosing the disease – though it will be many years before the full results of this study are known.

Research: Working on a global scale

International collaboration and exchange of knowledge drives the pace of scientific research and improves clinical management of MND. 2009/10 saw

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us forge new partnerships with research funding bodies, in order to support more international collaborations. For example, future years will see us report on the progress of a major new gene-hunting programme, led by Prof Chris Shaw at King's College London and funded by the Association in partnership with the Heaton-Ellis Trust, the ALS Association in the US, and the Medical Research Council.

Our role as a global leader in the field of MND care and research was illustrated by a record attendance of 881 delegates at our 20th International Symposium on ALS/MND in Berlin, Germany in December 2009.

Research: Clinical research

In the summer of 2009, recruitment began for the first Association-funded, clinician-led, MND clinical drug trial in the UK. The trial is investigating the effects of lithium carbonate as a possible treatment for MND.

The opportunities for people with MND to participate in UK clinical research have increased dramatically over the past three years. At the end of 2009/10, 18 clinical research studies were recruiting or in progress, 11 of which were fully or partially funded by the Association.

OUR FINANCES

We faced a challenging year in 2009/10 due to a predicted drop in legacy income and concern about the possible impact of the recession, compounded by a reduction in bank interest. However, despite the difficult economic environment, our fundraising income remained stable, thanks to the generosity of our donors and supporters and the hard work of our volunteer and staff fundraisers – a sign of their passion and commitment to a world free of MND. I would like to take this opportunity to thank everyone who has contributed to our work in 2009/10. It is thanks to your support that we have been able to continue with the activities outlined above, and the many other ways we have provided care and support for individuals with MND, while funding and promoting cutting-edge research.

CONCLUSION

This is the last time I will write this overview. After six of the most stimulating, challenging and rewarding

years that I can recall, my term as chairman of the Board of Trustees finally comes to an end at the AGM in September 2010, when I must hand over the baton.

I look back on my term with a great deal of satisfaction, pride and gratitude. Following my appointment in 2004, one of my early tasks was to oversee the recruitment of a new chief executive. Since her arrival in 2005, Kirstine Knox has guided the Association through a period of sustained financial growth, greatly heightened awareness and influence, improved service delivery and increased research funding.

Kirstine and I have worked closely together, and with the directors' team and the Board of Trustees, to develop the Association's long-term strategy, to personally visit and understand the needs and challenges of our volunteers throughout the country, to improve the governance of the Association and the effectiveness of the board, to strengthen the brand and reputation of the Association, to appoint a new royal patron and president and to put in place a robust reserves policy and financial contingency plans that will secure the future financial wellbeing of the Association.

None of this would have been possible without the dedication and commitment not only of Kirstine, but also her directors, Malcolm Watkins, Brian Dickie, Heidi Macleod, Douglas Graham, Alastair Wilson, Steve Bell and Karen Pearce, our staff, my co-trustees, our branches and groups, and our army of volunteers in England, Wales and Northern Ireland. It has made my job much easier, as well as such a pleasure. To all of you I offer my appreciation and thanks.

It is gratifying to be able to report on such exciting developments as we have experienced in 2009/10, and to be leaving my tenure as chairman with the Association on such a firm financial footing and with increased ambition and influence. I would like to wish the Association and the incoming chairman, Mark Todd, every good wish and success. It has been a privilege to serve the Association and those people with MND, in this important capacity, and I look forward to continuing to play an active role in the Association, as branch treasurer. I know that it will not be too long before we see a world free of MND, and I will be glad to have played some small part in achieving this.

Alan Graham
Chairman

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 trustees are required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Association as at the end of the financial year, and of the surplus or deficit for that year.

In preparing the financial statements, the trustees confirm that:

- Suitable accounting policies have been used and applied consistently
- Reasonable and prudent judgements and estimates have been made
- Applicable accounting standards and statements of recommended practice have been followed subject to any material departures disclosed and explained in the consolidated financial statements
- The consolidated financial statements have been prepared on the going concern basis

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Association 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 Association, and for taking reasonable steps to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees confirms that to the best of their knowledge there is no information relevant to the audit of which the auditors are unaware. The trustees also confirm that they have taken all necessary steps to ensure that they themselves are aware of all relevant audit information and that this information has been communicated to the auditors.

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

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.

An annual skills audit of trustees is carried out in order to identify the essential skills and experience needed from new trustees. This audit has been compared with the schedule of essential skills and experience prepared in 2004 and updated in 2009, and new trustees are sought who possess the skills and experience needed to meet these requirements. This process has and will continue to be overseen by the Governance Committee who make recommendations for co-opted appointment to the full board and monitor the process by which prospective elected members are identified.

In 2007, the board introduced a self-assessed effectiveness audit covering the processes, procedures and outcomes of board meetings. The purpose is to identify areas for collective improvement and introduce best practice. It is based on the Governance Hub publication *Good Governance: Code for the Voluntary and Community Sector*. The results from this self-assessment are discussed by the trustees annually in January and, from this, actions are agreed.

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

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chief executive and scrutinises the salaries of directors

Care Development Advisory Panel

Advises the Board of Trustees and director of care development 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 on-going development of trustees

In 2008 the board established a Governance Operating System Project Group, led by the vice chair and consisting of two other trustees plus the chief executive and the director of operations and finance

This group was charged with producing the *Governance Operating System Manual* covering the governance practices and processes of the Association. The manual was approved by the board in January 2010 and is now the definitive reference for all matters pertaining to the governance of the Association

Branches and groups

The Association has 68 branches, 24 groups and three affiliates. 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 33% of our volunteers have been actively involved with the Association for more than 10 years, and 8% of this group have volunteered for more than 20 years

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

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. Since 2005 trustees and senior operational managers have worked 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. In 2006 a formalised performance management system was introduced with clearly defined goals, key performance indicators and critical success factors. This 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

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In 2008 this was further enhanced by the introduction of 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 the *MND Association's Strategic Framework 2009 - 2015*

The Association is organised into seven 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

The policy and strategy unit (PSU) is based in the chief executive's office. The PSU oversees the Association's policy and campaigning to support the delivery of the Association's vision and mission. The team works with Whitehall, Westminster, Welsh and Northern Ireland Assemblies, health and local authority structures, and the third sector

Care development

Responsible for the direct provision of care, information and support through nationally and regionally-based staff and volunteers, the development of the Care Centre Programme, and leads on the implementation of the Care and Influencing Strategy in order to enhance the standards of care for people living with MND

Research development

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

Information and communications

Looks after the Association's external and internal communications, including media and public relations, publications, website and conferences

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, facilities and ICT functions. It ensures that the organisation and its people are best structured and enabled to deliver effectively for people with MND

Operations and finance

Supports the needs of the Association through financial management and reporting. Also 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, and 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 MND Association include those for research project grants, PhD studentships and Clinical Research Fellowships. In addition, the MND Association makes health and social care grants which aim to create

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an evidence base to support gaps in our *Clinical Guidelines*, which in turn will improve quality of care for people with MND

We publish our application process and decision-making process on our website www.mndassociation.org

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

Risk management

Following a review of the Association's risk management plans, a new register of strategic and major operational risks has been approved. This register is based on the *Strategic Framework 2009 – 2015* and Charity Commission guidelines. 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 will be 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 set up which has initiated changes to help the Association reduce its carbon footprint. In 2010/11, the Association will be setting targets for carbon reduction across all activities.

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'.

OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

Reference and administrative details and financial information and statements

President

Prof Colin Blakemore

Trustees

Alan Graham	Chairman
Alan Horwell	Vice chair
Mark Todd	elected chair-elect 12 September 2009
David Gray	Honorary treasurer
Peter Bickley	appointed 24 April 2010
Helen Clifford-Jones	until 12 September 2009
Juliet Draper	elected 12 September 2009
Cynthia Hopkins	
Barbara Howe	appointed 11 July 2009
Dr Christina Lloyd	
Alan Newton	
Alun Owen	elected 12 September 2009
Prof Victor Patterson	
Nalin Shukla	
Dr Hilary Walklett	
Dr Jean Waters	
Prof Brian Wilson	
Dr Cameron Wilson	until 12 September 2009

Chief executive

Dr Kirstine Knox

Secretary

Malcolm Watkins

Registered office

David Niven House
10-15 Notre Dame Mews
Northampton
NN1 2BG

OUR STRUCTURE, GOVERNANCE AND MANAGEMENT

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 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

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Finances

Investment policy

To invest any funds surplus to the day-to-day requirements of the Association with Lloyds TSB, HSBC and CCLA and other bank(s) and investment manager(s) as the board may determine from time to time

The funds deposited with Lloyds TSB, HSBC or other bank(s) are to be held in term deposit or equivalent interest bearing capital secure accounts

The funds deposited with CCLA or other investment manager(s) are to be divided as to one third to interest bearing capital secure accounts and two thirds to a government and corporate bond fund holding a majority of AAA rated paper

The total available funds of the Association are held to be in the approximate proportion of,
40% - Lloyd TSB,
30% - HSBC,
30% - CCLA

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)*

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 2010, the Association had 7,284 members, 68 active branches and 24 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 budgeted for a net cash deficit of £650,000 in the year. In the event it was negative by £243,000. This was due to an under spend of costs, particularly in fundraising, where it was decided not to proceed with one specific fundraising appeal due to the likelihood of not achieving a suitable return

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 the donors, the need for transparency in reporting the financial position of the Association and recognition that cash as opposed to non-cash assets is the basis for operational security

The policy is to hold 6 – 9 months general expenditure in cash and readily realisable investments on a combined national office and branch basis. 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 monies. In addition the Association has a target level of non-cash net current assets of 0 – 2 months general expenditure. Non-cash net current assets are negative by £439,000 due to the year-on-year fall in legacy debtors and an increase in grant funding commitments. The trustees do not believe this hampers the work of the Association or causes any significant financial risk

Cash and readily realisable investments at 31 January 2010 totalled £9,315,000 and £6,634,000 after deducting restricted balances. This represents seven months general expenditure and is therefore in the middle of the target level. In 2010/11, the Association expects cash balances after deducting restricted balances to decline to the lower end of the target range

Legacy debtors at 31 January 2010 have fallen and income expectations for 2010/11 have reduced accordingly. Non cash current assets are 1-2 months general expenditure and therefore within the range set by trustees

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.



Alan Graham

Chairman – Board of Trustees
10 July 2010

MOTOR NEURONE DISEASE ASSOCIATION

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

We have audited the consolidated financial statements of MND Association for the year ended 31 January 2010 which comprise the consolidated statement of financial activities, balance sheets and related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with chapter 3, part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are also the directors of the MND Association for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of responsibilities of the trustees.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the trustees' annual report is consistent with those financial statements.

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

We read the trustees' annual report and consider

the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

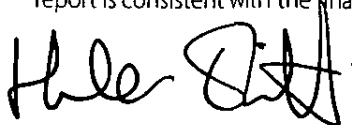
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

Opinion

In our opinion:

- The financial statements give a true and fair view of the state of the group and charity's affairs as at 31 January 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- The financial statements have been properly prepared in accordance with the Companies Act 2006, and
- The information given in the trustees' annual report is consistent with the financial statements.



Helen Elliott,
Senior statutory auditor
for and on behalf of Sayer Vincent, Statutory Auditors

SAYER VINCENT
8 Angel Gate, City Road, London EC1V 2SJ

14 July 2010

MOTOR NEURONE DISEASE ASSOCIATION

FINANCIAL STATEMENTS

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

For the year ended 31 January 2010

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds	
				2010 £	2009 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations & gifts	1a	4,787,080	2,305,985	7,093,065	6,955,691
Legacies		2,874,848	272,791	3,147,639	5,528,534
Sub total Voluntary income		7,661,928	2,578,776	10,240,704	12,484,225
Activities for generating funds					
Merchandising income		139,362	-	139,362	170,902
Fundraising		822,232	18,756	840,988	695,746
Investment income					
Interest receivable		83,158	-	83,158	451,957
Incoming resources from charitable activities					
Conference income		368,076	-	368,076	289,979
Information leaflets		3,463	-	3,463	4,001
Other income	1b	14,342	-	14,342	92,235
Total incoming resources		9,092,561	2,597,532	11,690,093	14,189,045
Resources expended					
Costs of generating funds					
Fundraising costs		2,610,678	-	2,610,678	2,311,713
Merchandising and fundraising events		308,091	-	308,091	332,944
Sub total Cost of generating funds		2,918,769	-	2,918,769	2,644,657
Charitable activities					
Care and Research grants		1,651,397	2,240,588	3,891,985	3,134,070
Care development		3,794,534	700,223	4,494,757	3,911,028
Research development		630,461	229,578	860,039	880,897
Volunteer development		1,436,888	-	1,436,888	1,257,012
Governance costs		141,979	-	141,979	142,610
Sub total Direct charitable expenditure		7,655,259	3,170,389	10,825,648	9,325,617
Total resources expended	5	10,574,028	3,170,389	13,744,417	11,970,274
Net (expenditure)/ income for the year	3	(1,481,467)	(572,857)	(2,054,324)	2,218,771
Unrealised losses on investment assets	15	(3,819)	-	(3,819)	(198,166)
Net movement in funds		(1,485,286)	(572,857)	(2,058,143)	2,020,605
Reconciliation of funds					
Fund balances brought forward at 1 February 2009		7,850,286	3,387,905	11,238,191	9,217,586
Fund balances carried forward at 31 January 2010		6,365,000	2,815,048	9,180,048	11,238,191

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

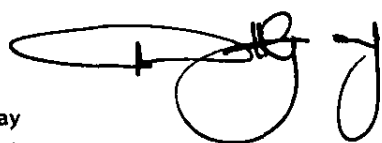
MOTOR NEURONE DISEASE ASSOCIATION (LIMITED BY GUARANTEE) FINANCIAL STATEMENTS

Balance Sheets

As at 31 January 2010

		Group		Charity	
	Notes	2010 £	2009 £	2010 £	2009 £
Fixed assets					
Tangible fixed assets	11	554,719	397,435	554,719	397,435
Investments	12	-	-	2	2
		<u>554,719</u>	<u>397,435</u>	<u>554,721</u>	<u>397,437</u>
Current assets					
Stocks	13	5,202	6,349	-	-
Debtors and prepayments	14	3,820,675	5,046,924	3,909,940	5,080,343
Investments	15	1,519,905	23,724	1,519,905	23,724
Short term deposits		3,612,349	5,590,809	3,612,349	5,590,809
Bank deposits		4,201,524	3,964,885	3,987,539	3,749,134
Cash in hand		1,130	2,163	1,130	2,163
		<u>13,160,785</u>	<u>14,634,854</u>	<u>13,030,863</u>	<u>14,446,173</u>
Creditors					
Amounts falling due within one year	16	4,284,792	3,794,098	4,198,277	3,648,822
		<u>8,875,993</u>	<u>10,840,756</u>	<u>8,832,586</u>	<u>10,797,351</u>
Net current assets					
		<u>8,875,993</u>	<u>10,840,756</u>	<u>8,832,586</u>	<u>10,797,351</u>
Total assets less current liabilities		<u>9,430,712</u>	<u>11,238,191</u>	<u>9,387,307</u>	<u>11,194,788</u>
Creditors					
Amounts falling due after more than one year	17	250,664	-	250,664	-
Net assets	20	<u>9,180,048</u>	<u>11,238,191</u>	<u>9,136,643</u>	<u>11,194,788</u>
Accumulated funds					
Restricted funds	19	2,815,048	3,387,905	2,815,048	3,387,905
Unrestricted funds					
Unrestricted funds		6,321,595	7,806,883	6,321,595	7,806,883
Funds retained in subsidiary		43,405	43,403	-	-
		<u>9,180,048</u>	<u>11,238,191</u>	<u>9,136,643</u>	<u>11,194,788</u>

The financial statements on pages 15 to 31 were approved by the Board of Trustees on 10 July 2010, and were signed on its behalf by



David Gray
Honorary treasurer

MOTOR NEURONE DISEASE ASSOCIATION

FINANCIAL STATEMENTS

Consolidated Cashflow Statement

For the year ended 31 January 2010

	2010 £	2009 £
Reconciliation of changes in resources to net cash inflow from operating activities		
Group		
Net (expenditure)/income	(2,054,324)	2,218,771
Depreciation charged	268,819	184,959
Income from bank interest	(83,158)	(451,957)
Decrease in stock	1,147	780
Decrease/(Increase) in debtors	1,226,249	(694,768)
(Increase) in investments	(1,500,000)	-
Increase in creditors	741,358	629,416
Net cash inflow from operating activities	(1,399,909)	1,887,201
Returns on investments and servicing of finance		
Income from bank interest	83,158	451,957
Net cash inflow from returns on investments and servicing of finance	83,158	451,957
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(426,103)	(342,575)
Net cash outflow from investing activities	(426,103)	(342,575)
(Decrease)/increase in cash in the period (note 21)	(1,742,854)	1,996,583

MOTOR NEURONE DISEASE ASSOCIATION

STATEMENT OF ACCOUNTING POLICIES

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 from 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 19, 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. 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

MOTOR NEURONE DISEASE ASSOCIATION

STATEMENT OF ACCOUNTING POLICIES

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

MOTOR NEURONE DISEASE ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2010

1a Donations and gifts

	2010 £	2009 £
Individuals	2,454,281	2,786,382
Charitable foundations and other grantors (see note 2)	1,157,543	955,481
Corporate donations	323,133	465,486
Appeals	737,915	664,282
Voluntary fundraising	1,746,134	1,663,139
Tax recovered	674,059	420,921
	<u>7,093,065</u>	<u>6,955,691</u>

1b Other income

	2010 £	2009 £
Costs recovered	8,000	13,600
Recovery of overcharged VAT	-	74,761
Royalties	2,262	74
Advertising	4,080	3,800
	<u>14,342</u>	<u>92,235</u>

MOTOR NEURONE DISEASE ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2010

2 Grants receivable

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

	2010 £		2010 £
The Heaton-Ellis Trust	415,889	The Humberside Charitable Health Trust	5,000
The Foresters Friendly Society Limited	61,075	Constance Travis Charitable Trust	5,000
Audrey and Stanley Burton 1960 Charitable Trust	53,000	Gerald Palmer Eling Trust Company	5,000
Department of Health Section 64	50,000	Myristica Trust	5,000
The Sylvia Adams Charitable Trust	30,000	The 29th May 1961 Charity	5,000
Bruce Wake Charitable Trust	25,000	The Anson Charitable Trust	5,000
The Freemasons' Grand Charity	25,000	The Cadogan Charity	5,000
The Tesco Charity Trust	25,000	The D'Oyly Carte Charitable Trust	5,000
Edith Murphy Foundation	25,000	The G C Gibson Charitable Trust	5,000
The Greendale Charitable Foundation	20,000	The John Coates Charitable Trust	5,000
The Royal Air Force Benevolent Fund	20,000	The Jordan Charitable Foundation	5,000
The Bernard Sunley Charitable Foundation	15,000	The Mabel Harper Charitable Trust	5,000
The Foster Wood Foundation	15,000	The Mary Potter Convent Hospital Trust	5,000
Peacock Charitable Trust	12,000	The Rayne Foundation	5,000
Elizabeth & Prince Zaiger Trust	12,000	The Steel Charitable Trust	5,000
The Enid Linder Foundation	10,000	Church Houses Relief in Need Charity	5,000
The Sovereign Health Care Charitable Trust	10,000	Donald Forrester Charitable Trust	5,000
Lombard Odier Darier Hentsch & Cie	10,000	G J W Turner Trust	5,000
The Herbert & Peter Blagrove Charitable Trust	10,000	Sir Samuel Scott of Yews Trust	5,000
The Jones 1986 Charitable Trust	10,000	The Albert Hunt Trust	5,000
Westminster Foundation	10,000	The Florence Shute Millennium Trust	5,000
The Hampton Fuel Allotment Charity	8,000	The Kirby Laing Foundation	5,000
West London Synagogue Charitable Fund	6,000	The Scotshall Trust	5,000
The Ofenheim Charitable Trust	5,500	The Sheffield and District Hospital Services Charitable Fund	5,000
The Nora Milburn Charitable Trust	5,180	The Zochonis Charitable Trust	5,000
		The Valentine Trust	5,000
		Others	138,899
		TOTAL	1,157,543

MOTOR NEURONE DISEASE ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2010

3 Net (expenditure)/income

This arises after charging

	2010 £	2009 £
Auditors' remuneration		
Internal Audit	-	2,040
External Audit	18,500	18,500
Branch Auditors' remuneration	14,830	15,982
Operating lease rentals		
- motor vehicles	142,357	110,792
- land and buildings	204,775	205,126
Depreciation of owned assets	268,819	184,959

4 Trustees' emoluments and expenses

The trustees neither received nor waived any emoluments during the year (2009 £nil). Travel, subsistence, conference and meetings expenses were incurred during the period and totalled £30,012 (2009 £31,128). These expenses were all incurred in the course of their duties and were reimbursed, or paid on behalf of, a total of 17 trustees (2009 18).

MOTOR NEURONE DISEASE ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2010

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 2010	Total 2009
	£	£	£	£	£	£	£	£	£
Staff employment and travel costs	1,538,300	-	16,895	2,555,315	401,828	1,038,722	48,849	5,599,909	4,739,585
Establishment costs	337,301	-	20,687	409,787	74,038	139,344	5,216	986,373	992,172
Volunteers' expenses	2,855	-	11	55,951	637	86,893	42	146,389	134,395
Equipment loan service	-	-	-	885,971	-	-	-	885,971	830,210
Patient care and grants	-	-	1,111,257	351,986	-	-	-	1,463,243	906,435
Conferences and meetings	4,716	-	292	123,958	347,884	123,069	-	599,919	711,760
Care Centre grants	-	-	639,195	-	-	-	-	639,195	729,762
Research, fellowship and studentship grants	-	-	2,100,632	-	-	-	-	2,100,632	1,611,953
Other research costs	-	-	-	-	343	-	-	343	330
Publications and information	-	-	-	52,337	20,759	-	-	73,096	75,196
Membership services	-	-	-	-	-	48,726	-	48,726	41,029
International Alliance	-	-	3,000	-	10,000	-	-	13,000	15,000
Publicity, public relations and printing	16,708	-	16	59,452	4,550	134	4	80,864	90,890
Fundraising	710,798	90,410	-	-	-	-	-	801,208	791,935
Fundraising events	-	217,681	-	-	-	-	-	217,681	208,474
Legal and professional	-	-	-	-	-	-	50,727	50,727	55,231
Trustees' expenses and development	-	-	-	-	-	-	30,012	30,012	31,128
Annual General Meeting	-	-	-	-	-	-	7,129	7,129	4,789
	<u>2,610,678</u>	<u>308,091</u>	<u>3,891,985</u>	<u>4,494,757</u>	<u>860,039</u>	<u>1,436,888</u>	<u>141,979</u>	<u>13,744,417</u>	<u>11,970,274</u>

Included within the resources expended is irrecoverable VAT that amounts to £227,223 (2009 £306,548)

MOTOR NEURONE DISEASE ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2010

5 Total resources expended (cont.)

Total resources expended are further analysed as follows

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total 2010 £	Total 2009 £
Care and Research grants (note 7)	-	3,854,084	37,901	3,891,985	3,134,070
Care development	3,675,797	-	818,960	4,494,757	3,911,028
Research development	705,414	-	154,625	860,039	880,897
Volunteer development	1,151,947	-	284,941	1,436,888	1,257,012
Costs of charitable activity	5,533,158	3,854,084	1,296,427	10,683,669	9,183,007
Fundraising	2,297,352	-	621,417	2,918,769	2,644,657
Governance	87,644	-	54,335	141,979	142,610
Total resources expended 2010	7,918,154	3,854,084	1,972,179	13,744,417	
Total resources expended 2009	7,068,380	3,103,337	1,798,557		11,970,274

6 Support costs

Support costs are allocated to activities as follows

	Fundraising £	Care and Research grants £	Care development £	Research development £	Volunteering development £	Governance £	Total 2010 £	Total 2009 £
Management	71,068	4,404	102,198	33,823	36,419	21,407	269,319	307,333
Finance	99,094	6,140	142,501	21,751	50,781	25,950	346,217	333,109
Information and Communications								
Technology	116,127	7,196	165,427	25,490	58,812	1,796	374,848	310,271
Facilities	185,842	10,911	194,155	40,793	62,426	2,874	497,001	428,423
Human Resources	149,286	9,250	214,679	32,768	76,503	2,308	484,794	419,421
	621,417	37,901	818,960	154,625	284,941	54,335	1,972,179	1,798,557

MOTOR NEURONE DISEASE ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2010

7 Grants payable

Grants were payable during the year as follows

	2010 £	2009 £
Grants to institutions	2,634,827	2,382,835
Grants to individuals	1,219,257	720,502
	<u>3,854,084</u>	<u>3,103,337</u>

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

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

	2010 £
Institute of Psychiatry, London	575,246
University of Birmingham	167,024
University of Liverpool	153,892
University of Edinburgh	125,599
The Walton Centre, Liverpool	122,738
Nuffield Orthopaedic Centre, Oxford	98,328
University of Sheffield	97,568
University of Wales, Cardiff	97,372
Institute of Neurology, London	92,642
Medical Research Council, Edinburgh	87,512
Oxford University	86,715
University of Leuven, Belgium	80,402
Royal Preston Hospital	79,195
Barts & The London School of Medicine & Dentistry	78,430
Lab Molecular Neurobiology, Milan	77,751
University Hospital, Birmingham	74,777
Addenbrookes Hospital, Cambridge	66,695
Institute of Cell & Molecular Science, London	57,822
Plymouth NHS Trust	55,781
James Cook University Hospital, Middlesbrough	47,647
Hope Hospital, Manchester	40,459
Leeds General Infirmary	40,350
Royal Victoria Hospital, Belfast	39,970
University of London	37,499
King's College, London	34,409
University of Newcastle	31,031
Royal Free and University College Hospital, London	27,837
Queen's Medical Centre, Nottingham	23,709
Hospice Care for Leicestershire and Rutland	12,000
Universitaetsklinikum, Germany	4,429
International Alliance of ALS/MND Associations	3,000

The International Alliance of ALS/MND Associations is a related party as one trustee of the Association, Alan Graham, is also a trustee of the International Alliance

MOTOR NEURONE DISEASE ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2010

8 Staff costs and emoluments

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

	2010	2009
Care development	60	53
Research development	8	8
Volunteer development	25	23
Fundraising	40	36
Governance	1	1
Total employees	<u>134</u>	<u>121</u>

The employment costs of all these employees were

	2010 £	2009 £
Gross wages and salaries	4,263,420	3,556,659
Social security costs	449,370	378,726
Other pension costs	237,379	207,365
	<u>4,950,169</u>	<u>4,142,750</u>

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

	2010	2009
£90,000 - £99,999	1	1
£70,000 - £79,999	1	1
£60,000 - £69,999	<u>3</u>	<u>3</u>

The employer's contributions to personal pension plans for the above employees amounted to £29,274 (2009 £28,345)

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 £237,379 (2009 £207,365).

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 2010 (2009 £2,084).

MOTOR NEURONE DISEASE ASSOCIATION

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For the year ended 31 January 2010

11 Tangible fixed assets

Group and Charity:	Care equipment £	Computers, software, fixtures, fittings and equipment £	Total £
Cost			
At 1 February 2009	1,257,161	932,774	2,189,935
Additions	361,708	64,395	426,103
Disposals	(2,705)	(2,342)	(5,047)
At 31 January 2010	1,616,164	994,827	2,610,991
Depreciation			
At 1 February 2009	979,791	812,709	1,792,500
Charged in the year	189,038	79,781	268,819
Eliminated on disposal	(2,705)	(2,342)	(5,047)
At 31 January 2010	1,116,124	890,148	2,056,272
Net book value.			
At 31 January 2010	450,040	104,679	554,719
At 31 January 2009	277,370	120,065	397,435

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 2010.

Motor Neurone Disease (Sales) Limited Profit and Loss Account

	2010 £	2009 £
Turnover	438,716	397,979
Cost of sales	(269,044)	(281,673)
Gross profit	169,672	116,306
Administration costs	(6,443)	(9,977)
Profit before interest and tax	163,229	106,329
Net interest (payable)/receivable	(283)	7,277
Net profit	162,946	113,606
Amount gift aided to the charity	(162,946)	(103,606)
Result for the year	-	10,000
Corporation tax	2	(2,084)
Result retained in the subsidiary	<u>2</u>	<u>7,916</u>

The aggregate of the assets, liabilities and funds was

	2010 £	2009 £
Assets	321,094	306,991
Liabilities	(277,687)	(263,586)
Funds (representing 2 ordinary shares of £1 each)	<u>43,407</u>	<u>43,405</u>

The investment held by the Charity of £2 (2009: £2) represents shares in the subsidiary company at cost.

13 Stocks

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Purchased goods for resale	<u>5,202</u>	<u>6,349</u>	<u>-</u>	<u>-</u>

MOTOR NEURONE DISEASE ASSOCIATION

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For the year ended 31 January 2010

14 Debtors

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Loan to subsidiary company	-	-	20,000	20,000
Amounts due from subsidiary company	-	-	171,172	98,310
Legacies	3,159,800	4,655,340	3,159,800	4,655,340
Other debtors	242,981	238,737	141,074	153,846
Income tax reclaimable	322,941	57,318	322,941	57,318
Prepayments	94,953	95,529	94,953	95,529
	<u>3,820,675</u>	<u>5,046,924</u>	<u>3,909,940</u>	<u>5,080,343</u>

15 Current asset investments

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Market value at 1 February 2009	23,724	221,890	23,724	221,890
Funds invested during year	1,500,000	-	1,500,000	-
Net (loss) on revaluation	(3,819)	(198,166)	(3,819)	(198,166)
Market value at 31 January 2010	<u>1,519,905</u>	<u>23,724</u>	<u>1,519,905</u>	<u>23,724</u>

The investments held at 31 January 2010 and 1 February 2009 were 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 the investments held by the Association is very limited and as such it has not been possible for any disposals to be effected. In addition, funds were invested with CCLA Investment Management Ltd into an account linked to Government securities and stocks.

16 Creditors: amounts falling due within one year

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	313,847	627,037	233,448	486,324
Accruals	483,061	224,342	482,061	221,259
Other creditors	3,359,185	2,836,320	3,354,069	2,834,840
Payroll taxation and social security	128,699	106,399	128,699	106,399
	<u>4,284,792</u>	<u>3,794,098</u>	<u>4,198,277</u>	<u>3,648,822</u>

Other creditors include liability for research grants of £3,328,036 (2009: £2,795,294) up to the end of the following financial year.

MOTOR NEURONE DISEASE ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2010

17 Creditors: amounts falling due after more than one year

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Other creditors	<u>250,664</u>	<u>-</u>	<u>250,664</u>	<u>-</u>

Other creditors include liability for Research Grants of £250,664, payable after the end of the following financial year

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

Group and Charity	Balance at 1 February 2009 £	Incoming resources £	Resources expended £	Balance at 31 January 2010 £
Research and studentships	1,768,068	704,426	(1,221,015)	1,251,479
Research Foundation	1,289,017	1,054,914	(1,146,304)	1,197,627
Care Centres	20,177	121,324	(90,847)	50,654
Care development	182,305	493,164	(570,273)	105,196
Fixed assets fund	1,578	-	(1,578)	-
Branches	126,760	223,704	(140,372)	210,092
	<u>3,387,905</u>	<u>2,597,532</u>	<u>(3,170,389)</u>	<u>2,815,048</u>

The fixed assets fund represented the balance of income grants received for, and expended upon, acquiring fixed assets which were not yet fully depreciated. This fund was fully expended in the year

The balance on all other funds 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

Group	Restricted funds £	Unrestricted funds £	Total funds £
Fund balances at 31 January 2010 are represented by			
Fixed assets	-	554,719	554,719
Net current assets	3,065,712	5,810,281	8,875,993
Creditors: amounts falling due after more than one year	(250,664)	-	(250,664)
Total net assets	<u>2,815,048</u>	<u>6,365,000</u>	<u>9,180,048</u>

MOTOR NEURONE DISEASE ASSOCIATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 January 2010

21 Analysis of changes in cash and net funds

Group	Balance 1 February 2008 £	Cash flow changes £	Balance 1 February 2009 £	Cash flow changes £	Balance 31 January 2010 £
Net cash					
Short term deposits	2,500,000	3,090,809	5,590,809	(1,978,460)	3,612,349
Bank deposits	5,059,074	(1,094,189)	3,964,885	236,639	4,201,524
Cash in hand	2,200	(37)	2,163	(1,033)	1,130
Net funds	<u>7,561,274</u>	<u>1,996,583</u>	<u>9,557,857</u>	<u>(1,742,854)</u>	<u>7,815,003</u>

22 Financial commitments

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

	2010 Land and buildings £	2010 Other £	2009 Land and buildings £	2009 Other £
Group and Charity				
Expires within one year	39,825	9,084	-	1,963
Expires between one and two years inclusive	-	73,680	52,066	84,247
Expires between two and five years inclusive	11,000	-	-	74,591
Expires after more than five years	118,000	-	125,258	-
	<u>168,825</u>	<u>82,764</u>	<u>177,324</u>	<u>160,801</u>

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

	2010 £	2009 £
Group and Charity		
Payable within one year	1,916,773	1,590,139
Payable in years two to five	1,643,955	1,598,051
	<u>3,560,728</u>	<u>3,188,190</u>