

# **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 January 2004**

Registered Company no: 2007023  
Registered Charity no: 294354



## **Highlights of the Year**

**Income continues to grow**

- this year by 2% to **£7,067k**

**Charitable Expenditure for the benefit of people affected by MND**

- grew by 3% to **£5,532k** and represented
- 81% of total expenditure, a rise of 3% on the previous year

**Expenditure on Care Centres**

- grew by 90% to **£279k**

**The Association's expenditure on research projects and studentships**

- grew by 6% to **£623k**

**The Association is financing**

- 17 research projects,
  - 5 postgraduate studentships and
  - 13 Care Centres
- with a commitment over 5 years of **£2,973k**

# ANNUAL REPORT AND FINANCIAL STATEMENTS

## President

Lady Hallifax

## Trustees and Directors

Prof. Paul Spencer	- Chair
Alan Graham	- Vice Chair
Alastair Johnston	- Honorary Treasurer
Martin Anderson	
Hugh Cannon	- appointed on 14 September 2003
Helen Clifford-Jones	- elected on 14 September 2003
David Colwill	
Eric Eatwell	- retired on 14 September 2003
Julia Franklin	
David Glynne Jones	
Michael Hawley	- retired on 14 September 2003
Alan Horwell	- appointed on 14 September 2003
Cynthia Hopkins	- elected on 14 September 2003
Glenys Marriott	
Sue McCormick	
Alan Newton	
John David Pritchard Barrett	- retired on 14 September 2003
Barry Schreder	
David Wilson	- elected on 14 September 2003



George Lewy  
**Company Secretary**

# Report of the Trustees

For the year ended 31 January 2004

In this Report, the Trustees, all of whom are directors of the charity, present their account of the activities and governance of the charity for the year ended 31 January 2004. We also present audited accounts for the year. The accounts comply with the current statutory requirements, the Memorandum and Articles of Association, and the *Statement of Recommended Practice – Accounting and Reporting by Charities*.

The Trustees are committed to a policy of spending donations as rapidly as possible for the benefit of people affected by MND. At the same time the Trustees ensure that such expenditure is well managed and that sufficient reserves are held to secure the Association's future viability in order to continue the work undertaken in furtherance of its charitable objectives.

## Principal Activities

The main purposes of the charity are the relief of persons who are affected by MND and its associated conditions, the commissioning of suitable and relevant research, and the dissemination of information.

The Association expresses this purpose as its Mission:

- To ensure that people affected by MND can secure the care and support they need;
- To promote research into causes and treatments

In other words, we want to transform the care and treatment people with MND receive.

## Introduction

The year was a challenging one for the Association. Although the final results look good, this only became apparent through legacy notifications received at and after the year end, but which are legally required to be included in the final accounts for the year.

During 2003/04, the National Office cash holdings fell and were only maintained at an adequate level by encashment of investments, cutting programmes in all areas of activity and cutting recruitment.

The experience of the year led the Trustees to revise the reserves policy to focus on National Office cash holdings. Over the next two to three years the Association hopes to achieve new levels of cash reserves to avoid a repetition of the programme cutting which was forced upon it during this year.

The commitment to build our reserves may limit the growth of care and research programmes over the next few years, but this is seen as the best way of meeting the needs of people affected by MND in the longer term.

Despite these constraints, we were able during 2003/04 to continue to develop the Association's work.

The number of Care Centres funded by the Association increased from 11 to 13 during the year, and we continued to fund more MND research projects than any other UK funding body.

The proportion of people with MND in contact with the Association grew by 11%, and we trained more volunteers than ever before to act as Association Visitors to cope with increased demand.

We lent over 2,300 pieces of essential equipment to people with MND, a marginal increase on the previous year, but the level of financial support we provided fell slightly. It is anticipated that there will be further constraints on equipment loan and financial support during 2004 and beyond.

The Association received a very positive report from the Charity Commission following a Review Visit, and we ended the year confident that the measures taken to deal with the testing financial situation have left us in a healthy position to move forward.

## **Fulfilling the Mission**

### **Developments, Activities and Achievements**

#### **Care and Support**

We are acutely aware that people with MND and their families often feel isolated and alone. Our annual survey regularly provides evidence of how people living with MND feel better supported and find it easier to access services once they are in touch with the Association.

Our aim in 2003 was to begin nationwide implementation of our 'Model of Care' approach that was successfully piloted in 2002. Our Model of Care allows for better coordination between the Association and health care professionals. It also creates opportunities for earlier contact between the Association and someone with MND.

We also know that it is essential that people affected by MND are enabled to make informed choices about living with the disease. The Association has continued to promote Standards of Care that aim to achieve a holistic and proactive approach to clinical management and care determined by the needs and wishes of people with MND. Simultaneously, the Association continues to implement a programme to enhance direct and personal support to people with MND – offering timely information, maintaining contact from diagnosis and enabling informed choices to be made in order to achieve quality of life – and increase the number of people with MND we are in contact with.

During 2003, we began to integrate our Model of Care and our Standards of Care initiatives. Early indications are that this is working well and is leading to improvements in the service standards available to people with MND.

Evidence for this is available in the form of referrals to our Regional Care Advisers (RCAs), which increased by 11% during the year 2003/04, with a 6% increase in direct referrals from the health service. 78% of people with MND (new referrals) are now in touch with the Association within three months of diagnosis.

People with MND have told us that they want more access to information about their condition, and they want us as an Association to be proactive in keeping in touch with them. One crucial way we keep in touch with people with MND is through our Association Visitor programme. Association Visitors (AVs) are extensively trained volunteers who can provide the extra support needed by families affected by MND.

Work to develop the support offered by the Association to meet this increase in demand continued with a 15% increase in the numbers of AVs recruited. The training and support programme for AVs has been enhanced through information mailings, and a 42% increase in support meetings run by RCAs. Training modules being developed include more in-depth sessions on bereavement, and training for Branch Contacts, the first contact within a Branch for people with MND.

In 2003 we trained 77 new AVs and we now have over 300 men and women befriending families in this way. We intend to increase this number to 500 by 2007.

The Care Information Service has initiated the implementation of a proactive approach in supporting callers to the Helpline – directly referring to RCAs, and following up information mailings with 'call backs' to ascertain the suitability of information, and other support required. During the year, there was a 10% increase in total information enquiries and a 28% increase in Helpline calls.

# MOTOR NEURONE DISEASE ASSOCIATION

## **Expanding Care Centre Programme**

An extension of the Care Centre Programme from 11 to 13 has been achieved. The geographical priority is now to develop Care Centres in the South and South West of England over the next two years. Work continues to fully-integrate the programme to maximise the opportunity for the Association to influence the Standards of Care nationally – through education, influencing undertaken relating to the National Service Framework (NSF) for Long-Term Conditions (due to be published at the end of 2004), and the development of comprehensive patient and care centred guidelines on clinical management of MND.

The first completed modules of the guidelines cover nutritional and respiratory management, early diagnosis, and the telling of the diagnosis. A dissemination plan is now being devised to ensure their translation into practice through Royal Colleges, the Care Centres, and education programmes.

## **Making our Voice Heard**

We made significant efforts during the year to influence the Government's NSF for Long-Term Conditions. The NSF is to have a particular focus on neurological conditions and we wish to ensure that it adequately addresses the needs of people with MND.

We were represented on one of the NSF's key working groups, and contributed to the drafting of crucial standards. We used the All Party Parliamentary Group on MND, for which we provide the secretariat, to lobby the Health Minister, and Baroness Noakes led a debate on MND in the House of Lords. We were pleased to host a visit by the Health Minister, Stephen Ladyman, MP, to our Birmingham Care Centre. We also generated and coordinated support for our campaign from within the MND clinical community.

Further contributions to Government policy were made through submissions to a number of consultation exercises and Select Committee

inquiries such as the Health Committee's inquiry into palliative care, the Joint Committee on the Draft Disability Discrimination Bill, the Human Tissue Bill, guidance on Disabled Facilities Grants and the Department of Health's 'Choice' consultation.

Our political profile building activity continued to pay dividends with invitations received to participate in a number of Government health and social care initiatives including involvement in the Modernisation Agency's Pursuing Perfection initiative, the Health Technology Assessment (HTA) programme, the Advisory Committee on New and Emerging Applications of Technology (NEAT), a National Institute for Clinical Excellence (NICE) Appraisal Committee, and the Integration of Community Equipment Services (ICES) initiative.

Working with other charities and disability groups, we also campaigned on fairer access to Disability Living Allowance for older people, greater rights for carers, the introduction of legislation on mental capacity, research using stem cells and access to free prescriptions.

We carried out a second survey of our members' experience of claiming Disability Living Allowance and Attendance Allowance and used the results to lobby for faster access to benefits for people with MND.

In Wales, we participated in the Welsh Assembly's review of neurological services.

## **Spreading the Word**

Increasing awareness and understanding of MND and the work of the Association remained important aspects of our efforts to generate support and increase our influencing potential.

2003 marked the 20th anniversary of the death of David Niven from MND. We celebrated the memory of one of the country's finest actors with a series of fundraising and awareness raising activities throughout the year. The highlight was undoubtedly the celebrity studded David Niven Lunch held at Pinewood Studios in July.

Educating Health and Social Care Professionals will always be crucial to raising the standards of care available to people with MND. We continued to target this key group through their professional publications and were particularly pleased to be invited to produce a significant article for OT News, the journal of the Royal College of Occupational Therapists.

We also provided numerous opportunities for Health and Social Care Professionals to update their professional knowledge during the year by facilitating 37 special interest groups, numerous regional training days and once again running our sell-out MND Professionals' Study Day.

Our efforts to reach a wider public audience were supported by Kirsty Crawford, a finalist in ITV's Pop Idol competition. We also collaborated with or supported a number of TV documentary makers producing films about people with MND to ensure accurate portrayal of the disease. These included extensive support to the actor playing Stephen Hawking in a drama about the early life of probably the best-known person with MND in the country.

## **Hope Through Research**

The Association continues to be at the forefront of efforts to understand and ultimately cure MND and our programme of research remains a source of hope for many people affected by the disease.

## **MND DNA Bank**

The cause of 97% of cases of MND remains unknown, although it is clear that genetic factors play a key role. Identifying causes of MND is therefore of the utmost importance, aiding understanding of the disease, earlier diagnosis and treatment and possibly even disease prevention. In 2003, the Association launched its largest ever research project, the creation of a National MND DNA Bank & Clinical Database, to collect and store DNA from people with MND, their families, and unaffected 'control' individuals. This five-year initiative will create a resource that can be used by scientists all over the world to identify the genetic factors that predispose people to develop the disease.

Ethical permission has been obtained to collect samples from 11 MND clinics throughout the UK and Ireland, and a pilot phase has begun in three centres, prior to rollout to other centres in 2004.

## **Biomedical Grants Programme**

The Association continues to fund more MND research projects than any other UK funding body – at any one time the research programme supports over 20 different projects. In 2003/2004 we reviewed 25 funding applications, of which 6 new projects were funded at a total commitment of £358K. Our 25% funding rate is consistent with those of the major research councils and the Wellcome Trust.

The Association encourages all its researchers to make their work available to the research community through publication in scientific journals and presentation at research conferences. Of the numerous advances made this year, three important findings of major significance stand out: the identification of a gene mutation that causes progressive motor neurone degeneration, which has opened up a new and exciting avenue of research; the successful

# MOTOR NEURONE DISEASE ASSOCIATION

manipulation of a gene (that causes spinal muscular atrophy) in human cells, with implications for the future treatment of this disease using gene therapy; and the results of a study of non-invasive ventilation showing a significant extension of survival and improvements in patient quality of life.

Good research needs good researchers. In 2003 our funding also assisted the career development of three junior scientists, with two offered University Lectureships plus a third invited to establish and run an MND research laboratory in a world-class institute.

## International Symposium

Once again, the Association organised the world's premier medical and scientific meeting on MND. A record 730 delegates attended last year's event in Milan, with the number of abstracts submitted (more than 330) more than 50% up on previous years. Numerous new international collaborations arose as a consequence of the meeting.

For the first time, an Allied Professionals' Forum was held the day before the main symposium. It proved to be a great success, attracting over 250 clinicians and healthcare professionals to discuss practical aspects of care provision.

## Workshop Sponsorship

We sponsored three additional research meetings in 2003: a one-day symposium at King's College Hospital on *MND: Biology and Care*; a workshop on *Motor Neuronal Cell Death* at the 6th IBRO World Congress of Neuroscience; and a one-day workshop between UK and US researchers on *Protein Function & Misfunction in MND* at the Daresbury Synchrotron.

## Volunteers and Staff

The Association relies upon the commitment and expertise of its staff and volunteers to achieve its objectives. Training and development has continued through the year using both internal and external resources. The exchange of skills between individuals has been actively encouraged and the results have been very positive.

During the year more than 20 volunteers worked in National Office on projects as diverse as fundraising and IT.

The Association has 84 Branches and 14 support groups that provide support locally to people living with MND. During the year the Association has encouraged the formation of small support groups where a traditional Branch is not viable. Six Volunteer Development Co-ordinators provide support to these groups. During the year, the role of Branch Contact has been reviewed and new guidelines and training have been developed.

New employment legislation has been incorporated into the Association's HR practices and policies and, where necessary, practical training has been provided to aid implementation.

## Fundraising

2003/4 has been a year for consolidation and strengthening within the team. We have strengthened Trusts and Major Donor and Corporate fundraising to ensure that we can continue to grow the income in these areas. Plans have now been developed to ensure that we continue to be strategic in our approach and maximise on our investment.

The year has also seen the introduction of some successful major events, including the Thumbprint Ball, and the continuing involvement of volunteers in our fundraising activities.

Work was also undertaken over the year in developing new approaches to our fundraising, which included 'Walk to D'Feet MND', a multi-centred and branded sponsored walk, and 'Our Lasting Tribute', a new method of raising funds in memory of, or in tribute to, a loved one. Both will be launched in 2004.



# ANNUAL REPORT AND FINANCIAL STATEMENTS

We improved the performance of our donor base during the year, beating our income targets for mailings to existing donors. We also, as a one off, reduced the amount of investment in acquisition – although this will be restored in the next financial year.

## Information Technology

The Association recognises the importance of developing its IT systems and infrastructure as a means to both provide secure record keeping and a sound base for communicating with all stakeholder groups.

Major progress was made towards creating a network to provide all regional staff with access to the key database systems held at National Office. This work will be completed in 2004.

## Investment Policy

Following the decision to liquidate the Association's investment portfolio as described in the previous annual report, the Association has held all of its surplus cash in a business reserve account with Lloyds TSB.

## Review of Financial 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 Statement of Recommended Practice – Accounting and Reporting by Charities (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 Branch Management Committee of each Branch.

On 31 January 2004, the Association had 7,137 members and 84 active Branches in England, Wales, and Northern Ireland. The Association is also affiliated with three offshore island organisations, although the accounts of these three organisations are not included in this Annual Report.

## Cash Flow

During the year the Association experienced a cash flow deficit of £487K before adjusting for the encashment of the investment portfolio of £507K. This caused, and continues to cause, some operating constraints and has led to reductions in the amount of money spent on equipment loan and financial support. Reductions in spend on a number of other areas of activity have made it possible to continue with the opening of new Care Centres and the funding of new biomedical research projects. Every effort is being made to improve the operating cash flow by increasing a variety of income streams although it is very unlikely that the Association will be able to reinstate past expenditure levels on equipment loan and financial support for people with MND during 2004/05.

## Reserves

The Trustees reviewed the reserves policy of the Association in 2003/04 and made a number of changes in light of the cashflow difficulties encountered. The Trustees were guided by the need to provide continuity and consistency of finance for the work of the Association in balance with the desire to maximise progress in its care and research programmes. The Trustees were also mindful of the wishes of donors, the need for transparency in reporting the financial position of the Association and recognition that cash as

# MOTOR NEURONE DISEASE ASSOCIATION

opposed to non-cash assets are the basis for operational security.

Consequently, the Trustees have decided to discontinue the category of Designated reserves previously provided for research projects and Care Centres. The Trustees do not believe this will have any practical effect on the investment the Association makes in either of these areas, which will in future be funded by a combination of restricted and general funds.

The Trustees have also decided to focus the general reserves policy of the Association on the cash held by National Office and by the Branches. The target level for cash held by the National Office is 5-6 months general expenditure of the Association, ie. that expenditure not already available from restricted funds. The target level for Branches is 1-2 months general expenditure.

General reserves at the year-end total £3,122K of which £1,449K (approximately 3 months general expenditure) is held in cash at National Office and £970K (approximately 2 months general expenditure) in cash at Branches. The cash reserves of National Office are therefore substantially below the target level and are expected to remain so in 2004/05 and to rise to the target levels in subsequent years.

The Charity holds restricted funds donated for a number of purposes including biomedical research projects and establishment of Care Centres. Details of restricted funds are contained in note 17 to the financial statements.

## Governance

A list of Trustees is shown on page 3.

Trustees are elected by the Association's membership and are appointed at the annual general meeting. The Trustees may also co-opt additional members to serve on the Board in accordance with the Articles of Association. In the event of the Association being wound up, every Trustee is liable for an amount not exceeding £1 to facilitate the payments 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Association, and for taking reasonable steps to prevent and detect fraud and other irregularities.

# ANNUAL REPORT AND FINANCIAL STATEMENTS

In April, the Trustees took delivery of the final report of the Charity Commission Review Visit that took place in October 2002. The following extract from the executive summary demonstrates the commitment and expertise of trustees, staff, and volunteers.

"The Trustees present showed commendable commitment to the work of the charity, and a highly professional approach to their responsibilities. The senior staff involved in the visit demonstrated similar skills, and demonstrated a high level of support of the trustees' role. There is a sense of calm urgency which seems to inform the work of the charity, and concentrate the minds of its trustees and staff in achieving important changes swiftly, and this perhaps arises from the speed with which people with MND progress from diagnosis to death (half die within 14 months of diagnosis).

"Many of the charity's procedures, documents, modes of working, and approaches to potential problems and challenges appeared to be models in the sector. The degree of professionalism obviously applied both by Trustees and staff to the activities of the Association were no less applied in adhering to its legal governance, leaving an impression of a highly accountable, transparent organisation of great integrity."

A separate committee of the board has been established to advise on matters of governance with the specific role of "advising the Board of Trustees and the Chief Executive on matters pertinent to the structure and good practice of the Board and the better performance of its duties".

Action is being taken to establish criteria for the measurement of Board performance and development of the board to support and improve the delivery of services to people affected by MND. Future annual reports will provide evidence of progress.

## Risk Management

The Trustees introduced a formal risk management process in 2001/02 to assess business risks and implement risk management strategies. The risks identified have been reviewed in respect of potential impact, likelihood of occurrence and means of mitigation.

The Trustees are pleased to report that all identifiable major risks to which the Association is exposed have been reviewed and systems established to mitigate those risks.

## Reappointment of Auditors

A resolution to reappoint the auditors, Sayer Vincent, will be proposed at the Annual General Meeting.



**Paul Spencer**  
Chair - Board of Trustees

3 July 2004

# MOTOR NEURONE DISEASE ASSOCIATION

## Legal and Administrative details for the year ended 31 January 2004

### Registered Office

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

### Professional Advisers

Registered Auditors	Sayer Vincent 8 Angel Gate City Road London EC1V 2SJ
---------------------	--

Solicitors	Bates, Wells & Braithwaite Cheapside House 138 Cheapside London EC2V 6BB
------------	--

Shoosmiths  
The Lakes  
Northampton  
NN4 7SH

Bankers	Lloyds TSB Bank plc Public and Community Sector 3rd Floor 25 Gresham Street London EC2V 7HN
---------	--

# **MOTOR NEURONE DISEASE ASSOCIATION**

## **Report of the Auditors to the members of Motor Neurone Disease Association**

We have audited the financial statements of Motor Neurone Disease Association for the year ended 31 January 2004 which comprise the consolidated statement of financial activities, balance sheets, cashflow statement, accounting policies and related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and the accounting policies set out therein.

This report is made solely to the Association's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Trustees and Auditors**

The responsibilities of the Trustees (who are also directors of the Association for the purposes of company law) for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

We report to you in our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the Trustees is not consistent with the financial statements, if the group and Association have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the Trustees' remuneration and transactions with the group and Association is not disclosed.

We read other information contained in the report of the Trustees and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of financial statements, and of whether the accounting policies are appropriate to the group and Association's circumstances, consistently applied and adequately disclosed.

# MOTOR NEURONE DISEASE ASSOCIATION

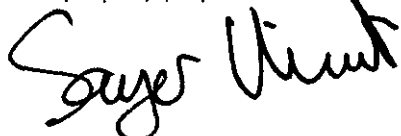
## Report of the Auditors to the members of the Association

### Basis of Opinion (continued)

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 group and Association's state of affairs as at 31 January 2004 and of the group's incoming resources and application of resources, including its income and expenditure and cashflows, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Sayer Vincent**

Chartered Accountants and Registered Auditors  
London

7 July 2004

# Motor Neurone Disease Association

## Consolidated Statement of Financial Activities For the year ended 31 January 2004

	Notes	General Fund £	Designated Funds £	Restricted Funds £	Total Funds 2004 £	2003 £
<b>Incoming resources</b>						
Donations & gifts	1a	3,384,892	-	931,054	4,315,946	4,419,830
Legacies		1,985,186	-	299,128	2,284,314	2,082,856
Activities in furtherance of the charity's objects:						
Conference income		242,736	-	5,000	247,736	196,458
Information leaflets		7,472	-	-	7,472	6,736
Activities for generating funds:						
Merchandising income		109,751	-	-	109,751	125,396
Investment income	3	73,845	-	-	73,845	83,918
Other income	1b	24,029	-	-	24,029	22,197
Net gain on disposal of fixed assets		3,932	-	-	3,932	5,428
<b>Total incoming resources</b>		<b>5,831,843</b>	<b>-</b>	<b>1,235,182</b>	<b>7,067,025</b>	<b>6,942,819</b>
<b>Resources expended</b>						
Cost of generating funds:						
Fundraising costs		1,237,531	-	-	1,237,531	1,476,295
Merchandising costs		77,315	-	-	77,315	88,088
Investment management fees		778	-	-	778	2,729
		<b>1,315,624</b>	<b>-</b>	<b>-</b>	<b>1,315,624</b>	<b>1,567,112</b>
Charitable expenditure:						
Costs in furtherance of the charity's objects:						
Care and Research grants	6	653,414	-	723,295	1,376,709	1,245,475
Care development		1,967,181	-	345,028	2,312,209	2,405,046
Research development		273,319	-	24,099	297,418	291,833
Volunteer development		579,160	-	78,222	657,382	648,342
Support costs		734,574	-	44,505	779,079	652,432
Management & administration		108,892	-	-	108,892	142,169
Total Charitable expenditure		<b>4,316,540</b>	<b>-</b>	<b>1,215,149</b>	<b>5,531,689</b>	<b>5,385,297</b>
<b>Total resources expended</b>	<b>7</b>	<b>5,632,164</b>	<b>-</b>	<b>1,215,149</b>	<b>6,847,313</b>	<b>6,952,409</b>
Net incoming/(outgoing) resources before gains & losses	4	199,679	-	20,033	219,712	(9,590)
Realised gains/(losses)		34,300	-	-	34,300	(21,000)
<b>Net income/(expenditure)</b>		<b>233,979</b>	<b>-</b>	<b>20,033</b>	<b>254,012</b>	<b>(30,590)</b>
Transfers between funds	18	824,797	(824,797)	-	-	-
Unrealised losses		-	-	-	-	(137,326)
<b>Net movement in Funds</b>		<b>1,058,776</b>	<b>(824,797)</b>	<b>20,033</b>	<b>254,012</b>	<b>(167,916)</b>
Fund balance brought forward at 1 February 2003		2,063,133	824,797	654,855	3,542,785	3,710,701
<b>Fund balance carried forward at 31 January 2004</b>		<b>3,121,909</b>	<b>-</b>	<b>674,888</b>	<b>3,796,797</b>	<b>3,542,785</b>

All movement on reserves and recognised gains and losses are shown above, and all activities are continuing.


The above statement incorporates an Income and Expenditure Account.

# Motor Neurone Disease Association (Limited by Guarantee)

## Balance Sheets As at 31 January 2004

	Notes	Group		Charity	
		31 January 2004 £	31 January 2003 £	31 January 2004 £	31 January 2003 £
<b>Fixed Assets</b>					
Tangible fixed assets	11	300,222	412,733	300,222	412,733
Investments	12	-	468,439	2	468,441
		<u>300,222</u>	<u>881,172</u>	<u>300,224</u>	<u>881,174</u>
<b>Current assets</b>					
Stock	13	6,008	6,645	-	-
Debtors and prepayments	14	1,963,158	1,133,902	1,982,794	1,170,522
Bank deposits		2,462,680	2,452,370	2,417,516	2,398,276
Cash in hand		1,724	1,417	1,724	1,417
		<u>4,433,570</u>	<u>3,594,334</u>	<u>4,402,034</u>	<u>3,570,215</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>936,995</u>	<u>932,721</u>	<u>914,716</u>	<u>912,859</u>
<b>Net current assets</b>		<u>3,496,575</u>	<u>2,661,613</u>	<u>3,487,318</u>	<u>2,657,356</u>
<b>Net assets</b>	20	<u>3,796,797</u>	<u>3,542,785</u>	<u>3,787,542</u>	<u>3,538,530</u>
<b>Accumulated funds</b>					
Restricted funds	17	674,888	654,855	674,888	654,855
Unrestricted funds:					
Designated funds	18	-	824,797	-	824,797
General fund	19	3,121,909	2,063,133	3,112,654	2,058,878
		<u>3,796,797</u>	<u>3,542,785</u>	<u>3,787,542</u>	<u>3,538,530</u>

The financial statements were approved by the Board of Trustees on 3 July 2004, and were signed on their behalf by:



Alastair Johnston  
Treasurer



# Motor Neurone Disease Association

## Consolidated Cashflow Statement

For the year ended 31 January 2004

	Notes	2004 £	2003 £
<b>Net cash (outflow)/inflow from operating activities</b>	23	<u>(439,189)</u>	<u>704,634</u>
<b>Returns on investments and servicing of finance</b>			
Income from bank interest and investment income		73,845	83,918
<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>73,845</u>	<u>83,918</u>
<b>Capital Expenditure and Financial Investment</b>			
Purchase of tangible fixed assets		(131,924)	(218,188)
Proceeds from sale of tangible fixed assets		5,146	7,328
Purchase of investments		(23,830)	(100,476)
Proceeds from sale of investments		<u>526,569</u>	<u>88,000</u>
<b>Net cash inflow/(outflow) from investing activities</b>		<u>375,961</u>	<u>(223,336)</u>
<b>Net cash inflow before financing</b>		10,617	565,216
<b>Financing</b>			
Repayment of principal under finance leases		-	(3,792)
<b>Increase in cash in the period</b>	22	<u>10,617</u>	<u>561,424</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash in the period		10,617	561,424
Cash outflow from financing		-	3,792
Change in net funds resulting from cash flows		10,617	565,216
Opening net funds		<u>2,453,787</u>	<u>1,888,571</u>
<b>Closing net funds</b>	22	<u>2,464,404</u>	<u>2,453,787</u>

# **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 Statement of Recommended Practice – Accounting and Reporting by Charities and the Companies Act.

### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of investments.

### **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 Section 230 of the Companies Act 1985, a separate Statement of Financial Activities for the Motor Neurone Disease Association has not been prepared.

### **Income**

The majority of income is generated in the United Kingdom. Donations from overseas account for less than 1% of the total income.

### **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.

### **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.

# **Motor Neurone Disease Association**

## **Statement of Accounting Policies**

### **Recognition of income and expenditure**

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

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, and the depreciation is charged against the restricted fund.

### **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.

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

It is the nature of the Association's activities that certain costs are incurred in respect of more than one activity. Where the costs, primarily staff employment costs, travel and associated expenses and premises costs, 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, volunteer development, costs of generating funds, and management and administration. Support costs are primarily those National Office costs wholly or mainly in support of the direct charitable activities.

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.

Management and administration 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, and the employment and establishment costs of the staff involved.

# **Motor Neurone Disease Association**

## **Statement of Accounting Policies**

### **Finance and operating leases**

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

Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic life of an equivalent owned asset.

Assets which are held under hire purchase contracts have the characteristics of finance leases but are depreciated over the useful economic life of the asset.

### **Taxation**

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

The Association is de-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 was suffered on its purchase of goods and services, the Association was 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.

Motor Vehicles	5 years
Fixtures and fittings	5 years
Care equipment	3 years
Leased vehicles	3 years
Computer and other equipment	2 years
Computer software	4 years

# **Motor Neurone Disease Association**

## **Statement of Accounting Policies**

### **Fixed asset investments**

The investments are included at market value at the year end.

Gains and losses on disposal and revaluation of investments are charged or credited to the Consolidated Statement of Financial Activities.

### **Stock**

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.

### **Grants payable**

The Board of Trustees approves the whole life cost of each grant. Grants however become payable each year, and are included in the Consolidated Statement of Financial Activities against a work schedule agreed with the recipient of the grant, and are subject to satisfactory progress of the project. No accrual is made for future years' grants.

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements For the year ended 31 January 2004

### 1a Donations and Gifts

	2004	2003
	£	£
Individuals	1,451,245	1,471,407
Charitable Foundations (see note 2)	776,569	776,507
Corporate donations	411,105	489,798
Appeals	565,622	502,512
Voluntary fundraising	1,003,707	1,039,162
Tax recovered	107,698	140,444
	<u>4,315,946</u>	<u>4,419,830</u>

The charity received £36,493 from pharmaceutical companies during the period.

£19,572 was received from one company as a result of specific requests for funding for research projects. £16,497 was received from three companies for sponsorship of the International Symposium held in Milan during the year, the largest sum being £9,503.

All other amounts received were less than £1,000.

### 1b Other income is made up as follows:-

	2004	2003
	£	£
Costs recovered	19,700	18,200
Royalties	1,387	2,995
Advertising	2,942	1,002
	<u>24,029</u>	<u>22,197</u>

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements For the year ended 31 January 2004

### 2 Grants Receivable

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

	2004 £
Community Fund	77,106
Gwyneth Forrester Trust	50,000
The Henry Smith Charity	50,000
Stavros Niarchos Foundation	50,000
Tubney Charitable Trust	50,000
Welton Foundation	48,333
The Headley Trust	40,000
Clore Duffield Foundation	35,000
Foyle Foundation	35,000
The Bridge House Estates Trust Fund	30,000
Sylvia Adams Charitable Trust	25,000
The John & Lucille Van Geest Foundation	20,000
The Bernard Sunley Charitable Foundation	15,000
The Rowlands Trust	15,000
Annandale Charitable Trust	14,000
The Peacock Trust	12,000
The St James Trust Settlement	7,000
Wales Council for Voluntary Action	6,018
Gerald Palmer Trust	6,000
The Schroder Trust	6,000
1989 Willan Charitable Trust	5,000
29 <sup>th</sup> May 1961 Charity	5,000
AstraZeneca Foundation	5,000
Batchworth Trust	5,000
Childwick Trust	5,000
Cinderford Charitable Trust	5,000
Elizabeth Frankland Moore Foundation	5,000
Enid Linder Foundation	5,000
GC Gibson Charitable Trust	5,000
Haremead Trust	5,000
Helen Jean Cope Trust	5,000
John Coates Charitable Trust	5,000
Pearson Plc Charitable Trust	5,000
Percy Bilton Charity	5,000
The Henry Lumley Charitable Trust	5,000
Thomas Farr Charity	5,000
Ulster Garden Village Limited	5,000

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements For the year ended 31 January 2004

### 3 Investment Income

	2004	2003
	£	£
Interest receivable	68,956	68,713
Dividends receivable from equity shares	3,079	8,124
Dividends receivable from investments and unit trusts	1,810	7,081
	<u>73,845</u>	<u>83,918</u>

### 4 Resources expended

Resources expended include:

	2004	2003
	£	£
Auditors' remuneration:		
- for audit	15,200	14,800
- for Branches	10,699	9,263
Operating lease rentals:		
- motor vehicles	73,855	90,430
- land and buildings	140,750	140,750
Depreciation of owned assets	243,222	268,749
Depreciation of leased assets	-	2,855

### 5 Trustees' emoluments and expenses

The Trustees neither received nor waived any emoluments during the year (2003: £nil). Travel and subsistence expenses incurred in the course of their duties and reimbursed during the period totalled £10,371 (2003: £11,784) and were paid to 17 Trustees.



# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements

For the year ended 31 January 2004

### 6 Grants payable

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

	2004 £
Institute of Psychiatry	189,337
University of Sheffield	140,091
University of Birmingham	98,711
King's College, London	83,591
University College London	49,175
Oxford University	41,771
Imperial College of Science & Medicine, London	40,827
McGill University, Montreal	32,466
University of Newcastle	31,195
Queen's Medical Centre	30,426
University Hospital Birmingham	30,350
Nuffield Orthopaedic Centre	30,250
Hope Hospital, Manchester	29,962
Daresbury Laboratory	29,663
The Walton Centre, Liverpool	26,889
National Hospital, London	26,500
International Alliance of ALS/MND Associations	23,000
University of Wales (Cardiff)	22,854
University of Durham	20,240
Freeman Hospital, Newcastle	6,817
Institute of Neurology, London	5,176
University of Lisbon	1,091

Grants are also made to and for individuals affected by Motor Neurone Disease for expenses such as respite care, building adaptations and equipment rental.

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. The Association received £18,000 from the International Alliance during the year for use of office and other recharged costs.

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements For the year ended 31 January 2004

### 7 Total resources expended

Resources expended on charitable activities represent the following direct and allocated costs:

	Fundraising Costs and Investment Management Fees £	Merchandising Costs £	Grants Payable £	Care Development £	Research Development £	Volunteer Development £	Support Costs £	Management & Administration £	Total 2004 £	Total 2003 £
Staff employment & travel costs	570,818	-	-	1,170,867	125,907	478,323	326,730	27,068	2,699,713	2,595,371
Establishment costs	139,237	-	-	-	-	-	437,973	1,345	578,555	594,970
Volunteers training & expenses	1,526	-	-	37,775	169	77,657	735	30	117,892	112,071
Equipment loan service	-	-	-	835,734	-	-	-	-	835,734	844,219
Patient care & grants	-	-	447,139	56,849	-	-	-	-	503,988	571,431
Conferences & meetings	-	-	4,322	62,221	159,373	65,781	13,641	13,642	318,980	289,703
Care Centre grants	-	-	279,089	-	-	-	-	-	279,069	147,206
Research & studentship grants	-	-	623,179	-	-	-	-	-	623,179	590,580
Other research costs	-	-	-	-	1,994	-	-	-	1,994	3,368
Helpline	-	-	-	63,299	-	-	-	-	63,299	49,561
Publications & information	-	-	-	85,464	-	-	-	-	85,464	148,995
Membership services	-	-	-	-	-	35,621	-	-	35,621	40,856
International Alliance	-	-	23,000	-	9,975	-	-	-	32,975	27,666
Publicity & public relations	9,360	-	-	-	-	-	-	-	9,360	5,163
Fundraising	468,824	77,315	-	-	-	-	-	-	546,139	844,695
Fundraising events	47,766	-	-	-	-	-	-	-	47,766	37,413
Investment Management Fees	778	-	-	-	-	-	-	-	778	2,729
Legal & professional	-	-	-	-	-	-	-	37,486	37,486	16,810
Trustees' expenses	-	-	-	-	-	-	-	18,539	18,539	18,088
Annual General Meeting	-	-	-	-	-	-	-	10,782	10,782	11,514
	<u>1,238,309</u>	<u>77,315</u>	<u>1,376,709</u>	<u>2,312,209</u>	<u>297,418</u>	<u>657,382</u>	<u>779,079</u>	<u>108,892</u>	<u>6,847,313</u>	<u>6,952,409</u>

Included within the resources expended is irrecoverable VAT that amounts to £180,818

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements For the year ended 31 January 2004

### 8 Employee information

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

	2004	2003
Care Development	35	35
Research development	3	3
Volunteer development	14	13
Fundraising	21	21
Support costs	7	7
Management & Administration	2	2
Total employees	<u>82</u>	<u>81</u>

The employment costs of all these employees were:

	2004 £	2003 £
Gross wages and salaries	2,089,572	1,953,021
Social security costs	220,875	212,759
Other pension costs	116,269	112,120
	<u>2,426,716</u>	<u>2,277,900</u>

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

	2004	2003
£50,000 - £59,999	1	1
£60,000 - £69,999	-	1
£70,000 - £79,999	<u>1</u>	<u>-</u>

The employer's contributions to personal pension plans for the above employees amounted to £12,106 (2003: £11,728).

### 9 Pension costs

The Association operates 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 £116,269 (2003: £112,120).

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements

For the year ended 31 January 2004

### 10 Taxation

The Association is a registered charity, and is exempt from corporation tax, income tax or 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 amounts to £nil (2003: £nil)

### 11 Tangible fixed assets

Group and Charity:	Motor vehicles £	Care equipment £	Computers, software, fixtures, fittings & equipment £	Total £
<b>Cost:</b>				
At 1 February 2003	18,142	1,054,369	459,153	1,531,664
Additions	-	108,571	23,353	131,924
Disposals	-	(24,835)	(2,718)	(27,553)
<b>At 31 January 2004</b>	<b>18,142</b>	<b>1,138,105</b>	<b>479,788</b>	<b>1,636,035</b>
<b>Depreciation:</b>				
At 1 February 2003	18,141	781,802	318,988	1,118,931
Charged in the year	-	173,430	69,792	243,222
Eliminated on disposal	-	(23,622)	(2,718)	(26,340)
<b>At 31 January 2004</b>	<b>18,141</b>	<b>931,610</b>	<b>386,062</b>	<b>1,335,813</b>
<b>Net book value:</b>				
<b>At 31 January 2004</b>	<b>1</b>	<b>206,495</b>	<b>93,726</b>	<b>300,222</b>
At 31 January 2003	1	272,567	140,165	412,733

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements For the year ended 31 January 2004

### 12 Fixed asset investments

	2004 £	2003 £
Group:		
Market value as at 1 February 2003	468,439	614,289
Additions	23,830	100,476
Disposal proceeds	(526,569)	(88,000)
Net realised investment gains/(losses)	34,300	(21,000)
Net unrealised investment losses	-	(137,326)
Market value as at 31 January 2004	-	468,439
Historical cost as at 31 January 2004	-	746,282

The investments above can be analysed as follows:

	2004 £	2003 £
Held in the UK	-	337,745
Held outside of the UK	-	130,694
	-	468,439

Investments held by the Charity also include an additional £2 (2003: £2) investment in the subsidiary company at cost (see note 21).

### 13 Stock

	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Purchased goods for resale	6,008	6,645	-	-

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements

For the year ended 31 January 2004

### 14 Debtors

	Group		Charity	
	2004	2003	2004	2003
	£	£	£	£
Loan to subsidiary company	-	-	20,000	20,000
Amounts due from subsidiary company	-	-	24,089	55,070
Legacies	1,645,594	706,014	1,645,594	706,014
Other debtors	100,080	136,575	75,627	98,125
Income tax reclaimable	169,348	244,171	169,348	244,171
Prepayments	48,136	47,142	48,136	47,142
	<u>1,963,158</u>	<u>1,133,902</u>	<u>1,982,794</u>	<u>1,170,522</u>

### 15 Creditors: amounts falling due within one year

	Group		Charity	
	2004	2003	2004	2003
	£	£	£	£
Trade creditors	34,836	118,890	15,801	115,849
Accruals	236,395	236,888	235,395	235,889
Other creditors	602,925	520,562	600,681	504,740
Payroll taxation and social security	62,839	56,381	62,839	56,381
	<u>936,995</u>	<u>932,721</u>	<u>914,716</u>	<u>912,859</u>

### 16 Called up share capital

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

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements For the year ended 31 January 2004

### 17 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 2003 £	Incoming resources £	Resources expended £	Balance at 31 January 2004 £
Research and studentships	146,745	640,123	(529,592)	257,276
Care Centres	428,971	146,988	(230,526)	345,433
Care development	8,712	294,170	(298,882)	4,000
Fixed assets fund	18,574	7,050	(13,001)	12,623
Community Fund Grants:				
Volunteer Training Manager and Administrator	-	62,204	(62,204)	-
Research Project	2,852	14,902	(17,004)	750
Branches	49,001	69,745	(63,940)	54,806
	<u>654,855</u>	<u>1,235,182</u>	<u>(1,215,149)</u>	<u>674,888</u>

The fixed assets fund represents the balance of income grants received for, and expended upon, acquiring fixed assets which are not yet fully depreciated.

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.

### 18 Designated funds

	Balance at 1 February 2003 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 January 2004 £
Research and studentships	623,440	-	-	623,440	-
Care Centres	185,384	-	-	185,384	-
Branches	15,973	-	-	15,973	-
	<u>824,797</u>	<u>-</u>	<u>-</u>	<u>824,797</u>	<u>-</u>

In accordance with the reserves policy stated in the Trustees' report designated fund balances as at 1 February 2003 were transferred to general funds.

# Motor Neurone Disease Association Group

## Notes to the Consolidated Financial Statements

For the year ended 31 January 2004

### 19 Accumulated funds

General funds at 31 January 2004 includes £9,255 retained in the subsidiary.

### 20 Analysis of net assets between funds

	Restricted funds £	General funds £	Total Funds £
Fund balances at 31 January 2004 are represented by:			
Fixed assets	12,623	287,599	300,222
Current assets	662,265	3,771,305	4,433,570
Current liabilities	-	(936,995)	(936,995)
<b>Total net assets</b>	<b>674,888</b>	<b>3,121,909</b>	<b>3,796,797</b>



# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements

For the year ended 31 January 2004

### 21 Trading subsidiary

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, and covenants a proportion of its taxable profits to the Association each year. The total investment of the Association in this subsidiary at the year end amounted to £9,257 (2003: £4,257). Audited accounts are filed with the Register of Companies, and below is a summary of its trading results for the year ended 31 January 2004:

<b>Motor Neurone Disease (Sales) Limited Profit and Loss Account</b>	<b>2004 £</b>	<b>2003 £</b>
Turnover	164,927	121,028
Cost of sales	<u>(100,259)</u>	<u>(88,088)</u>
Gross profit	64,668	32,940
Administration costs	<u>(6,509)</u>	<u>(6,654)</u>
Profit before interest and tax	58,159	26,286
Net interest receivable/(payable)	<u>315</u>	<u>(541)</u>
Net profit	58,474	25,745
Amount gift aided to the charity	53,474	(22,087)
<b>Result retained in the subsidiary</b>	<b><u>5,000</u></b>	<b><u>3,658</u></b>

The aggregate of the assets, liabilities and funds was:

	<b>2004 £</b>	<b>2003 £</b>
Assets	75,625	99,190
Liabilities	<u>(66,368)</u>	<u>(94,933)</u>
Funds (representing 2 ordinary shares of £1 each)	<b><u>9,257</u></b>	<b><u>4,257</u></b>

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements For the year ended 31 January 2004

### 22 Analysis of changes in cash and net funds

	Balance 1 February 2003 £	Cash flow changes £	Balance 31 January 2004 £
<b>Net cash</b>			
Short term loans and bank deposits	2,452,370		<b>2,462,680</b>
Cash in hand	1,417		<b>1,724</b>
	<hr/>		<hr/>
Change resulting from cash flows	<b>2,453,787</b>	<b>10,617</b>	<b>2,464,404</b>
	<hr/>	<hr/>	<hr/>
<b>Net funds</b>	<b>2,453,787</b>	<b>10,617</b>	<b>2,464,404</b>

### 23 Reconciliation of changes in resources to net cash outflow/inflow from operating activities

	2004 £	2003 £
Net income/(expenditure)	254,012	(30,590)
Depreciation charged	243,222	271,604
Profit on disposal of tangible fixed assets	(3,933)	(5,428)
(Profit)/loss on disposal of fixed asset investments	(34,300)	21,000
Income from bank interest and dividends	(73,845)	(83,918)
Decrease in stock	637	7,981
(Increase)/decrease in debtors	(829,256)	596,917
Increase/(decrease) in creditors	4,274	(72,932)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	<b>(439,189)</b>	<b>704,634</b>

### 24 Capital commitments

	2004 £	2003 £
Capital expenditure that has been contracted for but has not been provided for in these financial statements	-	8,132
	<hr/>	<hr/>

# Motor Neurone Disease Association

## Notes to the Consolidated Financial Statements For the year ended 31 January 2004

### 25 Financial commitments

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

	2004 Land and buildings £	2004 Other £	2003 Land and buildings £	2003 Other £
<b>Group and Charity</b>				
Expires between one and two years inclusive	2,100	22,670	2,100	73,748
Expires between two and five years inclusive	-	72,746	-	22,670
Expires after more than five years	138,650	-	138,650	-
	<u>140,750</u>	<u>95,416</u>	<u>140,750</u>	<u>96,418</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:

	2004 £
<b>Group and Charity</b>	
Payable within one year	1,223,284
Payable in years two to five	1,750,080
	<u>2,973,364</u>