

**MULTIPLE SCLEROSIS THERAPY CENTRE
(LOTHIAN) LIMITED**

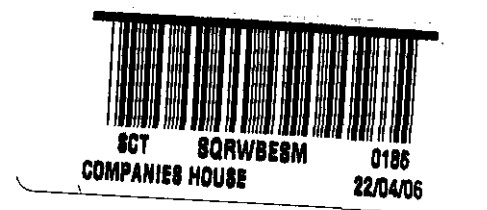
FINANCIAL STATEMENTS

FOR

31 DECEMBER 2005

**Company Registration Number SC122837
Charity Number SC014991**

**WHITELAW WELLS
Chartered Accountants & Registered Auditors
9 Ainslie Place
Edinburgh
EH3 6AT**



MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

DIRECTORS AND PROFESSIONAL ADVISERS

The directors	R M Parker M R Stephen
Company secretary	A Purser
Registered office	9 Ainslie Place Edinburgh EH3 6AT
Auditors	Whitelaw Wells Chartered Accountants & Registered Auditors 9 Ainslie Place Edinburgh EH3 6AT
Bankers	The Royal Bank of Scotland 2 Bernard Street Edinburgh EH6 6PU Anglo Irish Bank Corporation plc 10 Old Jewry London EC2R 8DN

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

DIRECTORS' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2005

The directors present their report and the financial statements of the charity for the year ended 31 December 2005.

OBJECTIVES

The aim of the Centre is to encourage people to help each other through mutual support and to promote a better quality of life for MS sufferers and their families. Our Centre opened in March 1984 and is one of fourteen such centres based in Scotland providing a range of therapies and support for people with Multiple Sclerosis. We offer Hyperbaric Oxygen Therapy, Physiotherapy, Reflexology and Aromatherapy and information on diet and all aspects of MS.

Physiotherapy, Reflexology and Aromatherapy

Our chartered physiotherapists have a very well equipped department. Each patient attending is given a detailed assessment of his or her condition with exercises and advice tailored to individual needs to promote general health and maintain/improve control and mobility of limbs.

Emphasis is placed on what people can do at home, with or without assistance. Adjustments are made as required to each individual's programme.

Hyperbaric Oxygen Therapy

Hyperbaric Oxygen treatment is **not** a cure for Multiple Sclerosis, but it can be effective in the longer term in helping the condition to stabilise in many people. In addition, it often improves bladder control and reduces fatigue.

The initial treatment consists of breathing oxygen through a mask for one hour per day over a maximum of 15 – 20 days. This takes place in a large, pressurised chamber, which allows us to treat up to 8 people simultaneously.

This is followed by "top-up" sessions, which may vary from once a week to once monthly. All sessions are individually monitored.

ORGANISATIONAL STRUCTURE

The organisation is a charitable company limited by guarantee, incorporated on 9 February 1990 under the Companies Act 1985. In the event of liquidation the liability of members is limited to £1.

The Company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association. The Company became a registered charity on 28 September 1994. Multiple Sclerosis Therapy Centre (Lothian) Limited was formerly known as Lothian Friends of ARMS Limited. The date of change was 12 February 1999.

The members of the Company consist of the Foundation member and ordinary members. The Foundation member is ARMS (Multiple Sclerosis Research) Limited and the ordinary members (subscribers to the M & A) are any such persons with MS or an interest in promoting the objects of the company as admitted to membership by the management committee. Effectively the committee are the ordinary members of the company.

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

DIRECTORS' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2005

ACKNOWLEDGEMENTS

The Directors would like to thank the Lothian Health Board for the grant received.

REVIEW OF THE YEAR

A net surplus of £13,328 (2004: £6,889) was made during the year.

THE DIRECTORS

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

Rob Parker

Michael Gray (Resigned 27 April 2005)

Marjorie Stephen (Appointed 27 April 2005)

Both Directors retire by rotation at the Annual General Meeting. M I Gray does not intend to stand for re-election.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies, as described on page 10,
- apply them on a consistent basis, making judgements and estimates that are prudent and reasonable.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RISK MANAGEMENT

The Directors have been involved in assessing risks to which the charity is exposed, and are satisfied that they have in place systems to mitigate the charity's exposure to major risks.

RESERVES POLICY

The Directors' have set up designated funds to maintain and eventually replace the hyperbaric oxygen chamber, and to finance the purchase of a building. The unrestricted reserves represent approximately five months operating expenditure for a year in which there is no major refurbishment expenditure. In the longer term the policy is to hold reserves that equate to one year's operating expenditure.

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

DIRECTORS' ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2005

AUDITORS

A resolution to re-appoint Whitelaw Wells as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

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

Registered office:
9 Ainslie Place
Edinburgh
EH3 6AT

Signed by order of the directors



A Purser
Company secretary

Approved by the directors on *30th March 2006*

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS

YEAR ENDED 31 DECEMBER 2005

We have audited the financial statements of Multiple Sclerosis Therapy Centre (Lothian) Limited for the year ended 31 December 2005 which comprise the Income and Expenditure Account incorporating the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 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 Directors' Report is not consistent with the financial statements, if the company has 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 directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of audit 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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. However, as stated in note 15, the evidence available to us was limited because £27,823 of the company's recorded cash donations made by members for treatment, which are entirely voluntary, are made directly to either voluntary or paid staff, and there is no system of control which the directors could reasonably implement which would ensure that all cash received was accounted for.

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS

YEAR ENDED 31 DECEMBER 2005

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence of completeness of cash donations, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to cash donations:
we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
we were unable to determine whether proper accounting records had been maintained



Whitelaw Wells
Chartered Accountants &
Registered Auditors
9 Ainslie Place
Edinburgh

Date:

14 April 2006

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

**INCOME AND EXPENDITURE ACCOUNT INCORPORATING
THE STATEMENT OF FINANCIAL ACTIVITIES**

YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
INCOMING RESOURCES			
Donations		75,006	71,909
Gifts		1,103	972
Activities in furtherance of charity's objects:			
grants receivable	2	30,465	29,868
Bank interest receivable		6,824	5,936
Profit on sale of goods and literature		-	82
		<hr/>	<hr/>
TOTAL INCOMING RESOURCES		113,398	108,767
		<hr/>	<hr/>
RESOURCES EXPENDED			
Costs of activities in furtherance of charity's objects:			
direct charitable expenditure	4	87,585	89,811
support costs	5	7,441	6,037
management and administration	6	3,703	2,777
Cost of generating funds:			
fundraising and publicity	7	1,341	3,253
		<hr/>	<hr/>
TOTAL RESOURCES EXPENDED		100,070	101,878
		<hr/>	<hr/>
NET INCOMING RESOURCES FOR THE YEAR		13,328	6,889
Balances brought forward at 1 January 2005		158,842	151,953
		<hr/>	<hr/>
Balances carried forward at 31 December 2005		172,170	158,842
		<hr/>	<hr/>

All movements are in unrestricted funds

The charity has no recognised gains or losses other than the results for the
year as set out above

All of the activities of the charity are classed as continuing

The notes on pages 10 to 15 form part of these financial statements

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

SUMMARY INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
INCOME		106,574	102,831
TOTAL EXPENDITURE		100,070	101,878
		<hr/>	<hr/>
OPERATING SURPLUS		6,504	953
OTHER INCOME			
Interest receivable and similar income		6,824	5,936
		<hr/>	<hr/>
NET SURPLUS FOR THE FINANCIAL YEAR		13,328	6,889
		<hr/>	<hr/>

The charity has no recognised gains or losses other than the results for the year as set out above

All of the activities of the charity are classed as continuing

The notes on pages 10 to 15 form part of these financial statements

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

BALANCE SHEET

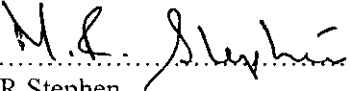
31 DECEMBER 2005

	Note	£	2005 £	2004 £
FIXED ASSETS				
Tangible assets	10		4,205	5,974
			<hr/>	<hr/>
CURRENT ASSETS				
Debtors	11		14,344	13,598
Cash at bank and in hand			157,197	141,649
			<hr/>	<hr/>
			171,541	155,247
CREDITORS : amounts falling due within one year	12		(3,576)	(2,379)
			<hr/>	<hr/>
NET CURRENT ASSETS			167,965	152,868
			<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			172,170	158,842
			<hr/>	<hr/>
FUNDS				
Unrestricted:				
Designated funds	14		125,105	125,105
Other charitable funds			47,065	33,737
			<hr/>	<hr/>
			172,170	158,842
			<hr/>	<hr/>

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

These financial statements were approved by the directors on 30/3.. 2006 and are signed on their behalf by: -


.....
R M Parker


.....
M R Stephen

The notes on pages 10 to 15 form part of these financial statements

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) issued in October 2000.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the charity is small.

Depreciation

Assets are initially included at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment	- 20% straight line
Fixtures & fittings	- 20% straight line

The charity has the policy not to capitalise items under £100.

Grants

Grants are credited to the Statement of Financial Activities when they are receivable.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Designated Funds

Designated funds are unrestricted funds designated by the Board for a specific purpose.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight-line basis over the period of the lease.

Hyperbaric oxygen chamber

The costs of the HBO chamber have been written off to the income and expenditure account.

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2005

2. GRANTS RECEIVABLE

	2005	2004
	£	£
Lothian Health Board contribution	30,465	29,868
	<hr/>	<hr/>

Payments from Lothian Health Board are received quarterly in advance.

3. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging: -

	2005	2004
	£	£
Auditors' remuneration - Audit services	1,974	2,115
- Accountancy and payroll	432	662
Depreciation	2,197	2,529
	<hr/>	<hr/>

4. DIRECT CHARITABLE EXPENDITURE

	2005	2004
	£	£
Staff costs	58,601	58,476
Office costs	16,896	16,283
Equipment maintenance and running costs	9,891	11,963
Depreciation	2,197	2,529
Other costs	-	560
	<hr/>	<hr/>
	87,585	89,811
	<hr/>	<hr/>

5. SUPPORT COSTS

	2005	2004
	£	£
Office costs	7,026	5,574
Travel	91	192
Subscriptions	324	271
	<hr/>	<hr/>
	7,441	6,037
	<hr/>	<hr/>

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2005

6. MANAGEMENT AND ADMINISTRATION

	2005	2004
	£	£
Accountancy fees	432	662
Audit fees	1,974	2,115
Bad debts	1,297	-
	<hr/>	<hr/>
	3,703	2,777
	<hr/>	<hr/>

7. FUNDRAISING AND PUBLICITY

	2005	2004
	£	£
Publicity and fundraising expenses	1,341	3,253
	<hr/>	<hr/>

8. STAFF COSTS

The aggregate staff costs were:

	2005	2004
	£	£
Salaries	55,375	55,329
Social security costs	3,226	3,147
	<hr/>	<hr/>
	58,601	58,476
	<hr/>	<hr/>

No employee received emoluments totalling more than £50,000 in the year. No director received remuneration during the year.

Particulars of employees:

The average number of staff, excluding directors, employed by the charity during the financial year amounted to 3 (2004: 3).

9. REIMBURSEMENT OF EXPENSES TO DIRECTORS

No reimbursement of expenses was made to the directors during the year.

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2005

10. TANGIBLE FIXED ASSETS

	Equipment £	Fixtures & Fittings £	Property Improvements £	Total £
COST				
At 1 January 2005	6,946	14,682	12,161	33,789
Additions	-	428	-	428
Disposals	-	(345)	-	(345)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	6,946	14,765	12,161	33,872
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 2005	4,132	14,581	9,102	27,815
Charge for the year	1,246	186	765	2,197
On disposals	-	(345)	-	(345)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	5,378	14,422	9,867	29,667
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 December 2005	1,568	343	2,294	4,205
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	2,814	101	3,059	5,974
	<hr/>	<hr/>	<hr/>	<hr/>

11. DEBTORS

	2005 £	2004 £
Income tax recoverable	7,860	5,780
Other debtors	-	1,297
Prepayments	6,484	6,521
	<hr/>	<hr/>
	14,344	13,598
	<hr/>	<hr/>

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2005

12. CREDITORS: amounts falling due within one year

	2005	2004
	£	£
Accruals	3,576	2,379
	<hr/>	<hr/>
	3,576	2,379
	<hr/>	<hr/>

13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2005 the charity had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2005	2004
	£	£
Operating leases which expire:		
Within 1 year	11,660	11,660
Within 2 to 5 years	-	14,120
After more than 5 years	-	-
	<hr/>	<hr/>
	11,660	25,780
	<hr/>	<hr/>

14. DESIGNATED FUNDS

	Movement in resources		
	Balance at		Balance at
	1 January		31 December
	2005	Transfers	2005
	£	£	£
Development fund	125,105	-	125,105
	<hr/>	<hr/>	<hr/>
	125,105	-	125,105
	<hr/>	<hr/>	<hr/>

The Development fund has been set up in order to maintain and replace the hyperbaric oxygen chamber and to finance the future purchase of a building.

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2005

15. TREATMENT DONATIONS

Cash donations are made by members for use of the hyperbaric oxygen chamber, and for physiotherapy sessions. These are entirely voluntary and no fixed amount is specified. Any payments are made to either voluntary or paid staff, depending on who is on duty at the time. There is no system of control which the directors could reasonably implement to be absolutely sure that all cash received was accounted for. The directors review the cash received on an ongoing basis to satisfy themselves that the income appears reasonable in the circumstances and does not fluctuate substantially over time.

**The following pages do not form part of the statutory financial statements
which is the subject of the auditors' report on pages 5 to 6**

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2005

	£	2005 £	2004 £
INCOME			
Donations		21,210	20,526
Collecting boxes and street collections		3,890	4,309
Fund raising activities		7,029	6,663
Treatment donations		27,823	27,315
Gift Aid		15,054	11,754
GYE Charities Aid		-	1,342
Membership		1,103	972
Lothian Health Board contribution		30,465	29,868
Bank interest receivable		6,824	5,936
Sale of goods and literature		-	82
		<hr/>	<hr/>
TOTAL INCOME		113,398	108,767
		<hr/>	<hr/>
DIRECT CHARITABLE EXPENDITURE			
Purchases	689		851
Staff Costs	58,601		58,476
Rent, rates and insurance	16,896		16,283
Equipment, maintenance and running costs	9,202		11,112
Sundries	-		560
Depreciation of fixed assets	2,197		2,529
	<hr/>		<hr/>
		87,585	89,811
FUNDRAISING AND PUBLICITY			
Publicity and fundraising expenses		1,341	3,253
SUPPORT COSTS			
Light and heat	1,930		1,578
Telephone	1,195		933
Office supplies	1,916		893
Postage and delivery	375		326
Other administration costs	1,610		1,844
Subscriptions	324		271
Travel and subsistence	91		192
	<hr/>		<hr/>
		7,441	6,037
MANAGEMENT AND ADMINISTRATION			
Accountancy fees	432		662
Audit fees	1,974		2,115
Bad debts	1,297		-
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		3,703	2,777
		<hr/>	<hr/>
Carried forward		100,070	101,878

MULTIPLE SCLEROSIS THERAPY CENTRE (LOTHIAN) LIMITED

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
Brought forward	100,070	101,878
	<hr/>	<hr/>
TOTAL EXPENDITURE	100,070	101,878
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NET SURPLUS	13,328	6,889
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