

NATIONAL ANKYLOSING SPONDYLITIS SOCIETY

Registered Charity Number

272258 (England and Wales)

SC 041347 (Scotland)

**Trustees' Annual Report and Financial Statements
For the year ended 31 December 2017**

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Honorary Officers

Raj Mahapatra (Chairman)
Simon H Frost (Treasurer)

Dr Andrei Calin (Vice President)
Hedley Hamilton (Vice President)
Dr Richard Jacoby (Vice President)

Ordinary Members

Eric N C Eustance
Dr Karl Gaffney
Claire Harris
Ben Hoare
Poppy Hocken
Dr Andrew Keat
Monika Mayhew
Ruth Miller
Grant Poiner
Dr Raj Sengupta
Roger Stevens
Peter Wheatley-Price

Co-opted Members

Nick Clarke
Gillian Eames
Jean Morton
Peter Townsend

Chief Executive

Debbie Cook, MPA, ACIS (until 8 November 2017)
Dr Dale Webb (from 9 November 2017)

Auditors

Feltons, 1 The Green, Richmond TW9 1PL

Bankers

Barclays Bank, Calverley Road Branch, Tunbridge Wells, TN1 2UZ

Solicitors

Russell-Cooke Solicitors, 8 Bedford Row, London WC1R 4BX

Charity Registration

272258 (England & Wales) SC 041347 (Scotland)

NASS' Trustees Report

The Trustees present their report and accounts for the year ended 31 December 2017, prepared in accordance with current statutory requirements, in accordance with the Charity Commission Statement of Recommended Practice.

1. Reference and administrative details

a. Name, address and registration

The name of the charity is the National Ankylosing Spondylitis Society and its address is 172 King Street, Hammersmith, London W6 0QU. The charity is registered with the Charity Commissioners for England and Wales, registration number 272258, and with the Office of the Scottish Charity Regulator, registration number 041347.

b. Trustees

The Trustees who served during the year were:

Honorary Officers

Raj Mahapatra (Chairman)
Simon H Frost (Treasurer)
Dr Andrei Calin (Vice President)
Hedley Hamilton (Vice President)
Dr Richard Jacoby (Vice President)

Ordinary Members

Stephen Dean (until June 2017)
Eric N C Eustance
Dr Karl Gaffney
Claire Harris
Ben Hoare
Poppy Hocken (from June 2017)
Dr Andrew Keat
Monika Mayhew (from June 2017)
Ruth Miller
Grant Poiner
Dr Raj Sengupta
Roger Stevens
Peter Wheatley-Price
Professor Paul Wordsworth (until June 2017)

Co-opted Members

Nick Clarke (from September 2017)
Gillian Eames
Jean Morton
Peter Townsend
Tim Warburton (until June 2017)

2. Structure, Governance and Management

a. Constitution

The Society is an unincorporated society and was registered as a charity in August 1976. The rules and regulations of the Society are set out in its Constitution, adopted on 18 November 2000 and amended on 17 November 2007, approved by the Charity Commission.

b. Appointment of Trustees

The governing body of the Society is a Council of Management consisting of elected and co-opted Trustees. Only members of the Society may be appointed as Trustees.

The Constitution permits the appointment of a Chairman, a Treasurer, a minimum of 8 and a maximum of 12 elected Trustees and a maximum of 4 co-opted Trustees.

The Chairman, the Treasurer and the elected Trustees are all appointed by election at the Society's Annual General Meeting. The Chairman and Treasurer are appointed for a term of one year and may put themselves forward for re-election if eligible. Other elected Trustees are appointed for a term of 3 years and may put themselves forward for re-election if eligible.

Co-opted Trustees are appointed by Council for a term of one year.

In advance of each AGM members of the Society are widely encouraged to nominate a fellow member as Trustee.

On appointment, new trustees are asked to spend a half day in the NASS central office for a briefing by the Chairman or Treasurer and to meet the Chief Executive, the staff and understand how the society works. Formal training is provided when required.

Vice Presidents are appointed by the Trustees in recognition of their contribution to the Society's affairs. Vice Presidents are invited to attend meetings of Trustees and to express their views on matters set before the Trustees. They are not entitled to vote at such meetings.

c. Management

The Trustees meet quarterly to review matters of policy and to make appropriate judgements, directions and decisions on Society issues.

The Trustees have delegated the ongoing management of the Society to an Executive Committee of Trustees consisting of the Chairman, the Treasurer and 3 appointed Trustees. This Committee meets on a monthly basis. Day-to-day administration of the Society is undertaken by the Chief Executive and his / her staff. The trustees consider the board of trustees and the Chief Executive as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. The pay of the Chief Executive is reviewed annually by the trustees.

None of the Trustees received any remuneration during the year. Twenty trustees received expenses, mainly relating to travel.

3. Objectives and Activities

a. Objectives

The Society's vision is to advance the interests of people affected by ankylosing spondylitis and related conditions in the UK.

The Society's mission is threefold:

- To seek a cure for ankylosing spondylitis and related conditions, and improve their treatment in the UK;
- To promote awareness of these conditions in the UK; and
- To provide guidance, advice and information for people affected by these conditions including their families, their carers and their employers.

b. Public benefit

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding on the activities the Society should undertake.

The Society provides public benefit in several ways:

- by promoting research into the management and cure of ankylosing spondylitis and related conditions and their causes;
- by disseminating the results of research related to these conditions;
- by working with statutory bodies and others that provide for the treatment and welfare of people affected by these conditions;
- by educating people affected by these conditions, as well as healthcare professionals and the public, on the problems related to these conditions; and
- by putting people affected by these conditions in contact with expert advisers on all aspects of these conditions.

In so doing the Society improves the lives of those affected by these conditions, particularly in relation to their ability to contribute positively to the prosperity of their communities and the country as a whole.

The Society achieves these aims by developing and adopting relevant strategies and through establishing the necessary resources and an appropriate structure to deliver these strategies.

c. Strategies adopted

In accordance with the provisions set out in its Constitution, the Trustees have adopted the following strategies to meet the Society's principal objects:

- (i) Research into ankylosing spondylitis and related conditions:
 - to facilitate research through a variety of means including campaigning, cooperation with academic centres and with pharmaceutical companies, and PR;
 - to encourage members of the Society to co-operate in research programmes;
 - to set up a grants scheme for research;
 - to communicate to members and the wider public the results of research using the most appropriate media, including AS news, websites and conferences.
- (ii) Campaigning on behalf of people with ankylosing spondylitis and related conditions:
 - to use a variety of means to increase awareness of these conditions among the public and within the healthcare profession, including such matters as early diagnosis and appropriate treatment;
 - to use a variety of means to improve access to the latest available treatments and care, in particular through lobbying elected representatives, healthcare professionals and statutory bodies;
 - to ensure that awareness of these conditions is raised with related charities and organisations so that concerted approaches can be made when appropriate including at international level.
- (iii) Education of the public about ankylosing spondylitis and related conditions:
 - to provide an information service for people affected by these conditions, for the newly diagnosed, for families, for the wider public and for healthcare professionals;
 - to provide a support network for people with these conditions and their families through such means as a membership network, a branch network, advisory panels, casework support and welfare grants;
 - to facilitate and support training seminars and conferences for people with these conditions and for healthcare professionals.

4. Achievements and Performance

a. Risk

The Trustees have adopted appropriate policies necessary to limit or mitigate the risks faced by the Society. The principal risks are:

- (i) Loss of funds: Funds are held with various first-tier banks on a short-term basis and as a result there is little risk of loss in the short to medium term.
- (ii) Loss of income: The Society seeks to broaden and expand its income from all sources. Nevertheless, the Society is dependent upon voluntary income, both at branch level and at national level, and aims to increase its membership locally and nationally.
- (iii) Loss of reputation: The Society seeks at all times to maintain its independent viewpoint. Assistance received from external bodies, such as members of the pharmaceutical industry, is strictly controlled so as to ensure that independence is not compromised.

b. Subscriptions

The Society charges subscriptions to its members at national and branch level. In addition, the Society operates a local branch model for group exercise and most of the attendees are national members. At national level this income is used to fund the charitable activities of the Society and to defray the costs of running the Society. At branch level the income is used almost wholly to provide to members physiotherapy treatment over and above that available from the NHS. The Society has approximately 3,700 members at national level and around 800 attendees per week at branches. The Trustees actively encourage all those with AS and related conditions to join the Society.

c. Branch network

The Society has 95 active branches throughout the UK. Each branch is managed by a committee comprising a Chairman, a Treasurer and a Secretary, each elected by branch members. Each appointee can hold office for an indefinite period. Branches are required to keep proper accounting records and to make annual returns to the Society each year.

The Trustees are keen to expand the branch network. During the year one new branch was opened and two closed down.

d. Fundraising and Grants

The Society holds fund-raising events from time to time and also welcomes the efforts of individual members who undertake fund-raising activities on behalf of the Society. The Society also solicits grants from charitable trusts and from the pharmaceutical industry, subject to certain limits in order to protect the independence of the Society. In particular grants received from the pharmaceutical industry are limited to 25% of income of the average charity income over 3 consecutive years and must be made available for the support of the Society's charitable activities without restriction.

During the year the Society received an unrestricted grant of £25,000 (2016 - £25,000) from Abbvie UK. In addition, grants totalling £125,736 (2016 - £118,080) were received for specific projects.

e. Expenditure on Research

The Society incurred total costs of £77,158 (2016 - £62,048) on research activities during the year which included support costs of £29,943 (2016 - £28,318). The Trustees are keen to foster continued research into AS and related conditions, and the Society continues to operate a grant based system for funding research projects.

f. Expenditure on Campaigning

The Society incurred total costs of £135,972 (2016 - £125,168) on campaigning activities during the year which included support costs of £89,828 (2016 - £84,953). This reflects the continuing emphasis placed by the Trustees on campaigning for wider recognition of the condition, speedier diagnosis and better treatment.

The Trustees expect to continue the Society's efforts to campaign on a wide range of issues on behalf of members concerning AS and related conditions.

g. Expenditure on Education and Support

The Society incurred total central costs of £222,805 (2016 - £234,126) on education and support activities during the year which included support costs of £149,713 (2016 - £141,590). Education and support remains a vital part of the Society's activities and the Trustees continue to seek to broaden the Society's work in these areas.

In addition the Society incurred branch costs of £197,301 (2016 - £201,391) in support of these activities.

h. Volunteers

The Society is heavily dependent on volunteer members who provide support at branch level and at national level. Volunteer members are unpaid and the Society's accounts do not reflect the value to the Society of the many hours work provided free to the Society. The Trustees are fully conscious of this value and recognise that the work of the Society would be considerably curtailed without the support provided by volunteer members.

i. Organisational relationships

The Society is a member of the following organisations:

- The Arthritis and Musculoskeletal Alliance (ARMA)
- The Ankylosing Spondylitis International Federation (ASIF). The Society is also represented on its Executive Committee
- National Voices
- National Council for Voluntary Organization (NCVO)
- Helpline Partnership

The Society also works in close partnerships with other charities and organisations as part of the Disability Benefits Consortium, Prescription Charge Coalition and Fit for Work Coalition.

j. The Future

The Society has exciting prospects for the future. The very significant increase in the Society's resources, resulting from three significant legacies received in 2017 and the uplift in value of the Society's investments since 2016, has enabled the Trustees to plan for growth in all areas of the society's charitable activities. Principal among these is the expansion of the current staffing resources.

5. Financial Review

a. Reserves

Free reserves, defined as the balance of unrestricted funds less tangible fixed assets, currently amount to £1,691,000 (2016 - £ 1,170,000). As reported last year, the Trustees have established a medium-term strategic plan to address the use of these reserves and substantial expenditure is planned on all of the Society's charitable objectives over the next few years.

At present the Society does not have an endowment fund and therefore income must be raised each year from voluntary sources and total income is likely to fluctuate from year to year. The Trustees have therefore decided that Free Reserves should be maintained at least at a level sufficient to meet all anticipated outgoings of the Society for the next financial year.

b. Investments

The Society has hitherto adopted a policy of maximising liquidity and therefore funds available have been held in interest-bearing bank accounts or equivalent short-term deposits at varying rates of interest placed

with first-tier banks. The Trustees are currently updating the Society's strategic plan which is expected to have a significant impact on the Society's cash resources and investments.

The Society's property investments comprise two residential apartments which are rented out on shorthold assured tenancies to generate income for the Society. The Society's investments also include four Elisabeth Frink statues. All investments are carried at market value.

c. Summary of financial performance

As a whole, the Society reported an excess of income over expenditure of £527,867 (2016 – shortfall of £71,210), mainly as a result of legacies totalling £682,291 received in the year. A surplus of £508,815 (2016 – deficit £78,837) arose centrally and a surplus of £19,052 (2016 - £7,877) arose at branch level.

As a result of the increase in resources over the last four years the Trustees have adopted a five year strategic plan to apply these resources to all the Society's charitable activities to run until review in 2019.

6. Statement of Trustees' responsibilities in respect of the accounts

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England/Wales and Scotland requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of funds of the charity for that year. In preparing those accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the accounts comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

7. Auditors


Feltons, Chartered Accountants, have expressed their willingness to continue as the charity's auditors.

Signed on behalf of the Trustees

Raj Mahapatra
Chair



London 9 June 2018



Eric N. C. Eustance
Trustee

London 9 June 2018

Independent Auditor's Report to the Trustees of the National Ankylosing Spondylitis Society

OPINION

We have audited the financial statements of The National Ankylosing Spondylitis Society for the year ended 31 December 2017 set out on pages 12 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

USE OF OUR REPORT

This report is made solely to the Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

We have been appointed as auditor under section 144 of the Charities Act 2011 and section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Feltons

Feltons
Chartered Accountants &
Statutory Auditors
1 The Green
Richmond
Surrey
TW9 1PL

Date: 3/9/18

NASS: Statement of Financial Activities

For the year ended 31 December 2017

	Note	Unrestricted Fund	Restricted Funds			Total Year ended 31 Dec 2017	Total Year ended 31 Dec 2016
			Branch Funds	Branch Developpt Fund	Fergus Rogers Fund		
		£	£	£	£	£	
Income from:							
Donations and legacies	2	941,237	224,149	-	-	1,165,386	519,751
Charitable activities	3	133,637	-	-	-	133,637	140,651
Investments	4	22,879	69	-	-	22,948	23,617
Total income		1,097,753	224,218	-	-	1,321,971	684,019
Expenditure on							
Raising funds	5	125,179	4,862	-	-	130,041	123,532
Charitable activities	6	446,249	197,301	-	-	643,550	631,697
Total expenditure		571,428	202,163	-	-	773,591	755,229
Net gains (losses) on investment	10	(20,513)	-	-	-	(20,513)	-
Net income (expenditure) before transfers		505,812	22,055	-	-	527,867	(71,210)
Transfers between Funds		3,003	(3,003)	-	-	-	-
		508,815	19,052	-	-	527,867	(71,210)
Other recognised gains (losses)		-	-	-	-	-	-
Net movement in funds		508,815	19,052	-	-	527,867	(71,210)
Reconciliation of funds:							
Total funds brought forward		1,182,185	224,003	2,201	2,801	1,411,190	1,482,400
Total funds carried forward	18	1,691,000	243,055	2,201	2,801	1,939,057	1,411,190


The notes on pages 16 to 25 form part of these accounts.

NASS: Balance Sheet

31 December 2017


	Note	31 December 2017 £	31 December 2016 £
FIXED ASSETS			
Tangible assets	9	-	12,131
Investments	10	772,000	792,513
Total Fixed Assets		772,000	804,644
CURRENT ASSETS			
Debtors and prepayments	11	10,387	26,200
Cash at bank and in hand	12	1,204,839	658,117
Total current assets		1,215,226	684,317
CREDITORS			
Amounts falling due within one year	13	48,169	77,771
NET CURRENT ASSETS		1,167,057	606,546
TOTAL NET ASSETS		1,939,057	1,411,190
CHARITABLE FUNDS			
Unrestricted funds	14	1,691,000	1,182,185
Branch funds	15	243,055	224,003
Branch development fund	16	2,201	2,201
Fergus Rogers fund	17	2,801	2,801
TOTAL CHARITABLE FUNDS	18	1,939,057	1,411,190

The financial statements were approved and authorised for issue by the trustees on 9 June 2018 and signed on their behalf by:



Raj Mahapatra
Chair

9 June 2018



Eric N. C. Eustance
Trustee

9 June 2018

NASS: STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	2017 £	2016 £
Cash flows from operating activities		
Net cash provided by operating activities	523,843	(79,428)
Cash flows from investing activities:		
Dividends, interest and rents from investments	22,879	23,485
Purchase of investments	-	(44,973)
Net cash used in investing activities	<u>546,722</u>	<u>(100,916)</u>
Cash flows from financing activities:		
Repayments/cash inflows from new borrowing	-	-
Net cash provided by/(used in) financing activities	<u>546,722</u>	<u>(100,916)</u>
Change in cash and cash equivalents in the year		
Cash and cash equivalents brought forward	658,117	759,033
Cash and cash equivalents carried forward	<u><u>1,204,839</u></u>	<u><u>658,117</u></u>

NASS: STATEMENT OF CASH FLOWS - CONTINUED

For the year ended 31 December 2017

	2017 £	2016 £
RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net income/(expenditure for the reporting period As per the statement of financial activities)	527,867	(71,210)
Adjustments for:		
Depreciation charges	4,378	4,776
Loss on revaluation of investments	20,513	-
Loss on disposal	7,753	-
Dividends, interest and rents from investments	(22,879)	(23,485)
(Increase)/decrease in debtors	15,813	(9,384)
Increase/(decrease) in creditors	(29,602)	19,875
Net cash provided by (used in) operating activities	<u>523,843</u>	<u>(79,428)</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash in hand	1,204,839	658,117
Total cash and cash equivalents	<u>1,204,839</u>	<u>658,117</u>

NASS: Notes to the accounts

For the year ended 31 December 2017

1. ACCOUNTING POLICIES

- (a) **Accounting convention:** The accounts have been prepared in accordance with the Statement of Recommended Practice : Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities and Investment (Scotland) Act 2005 and the Charities accounts (Scotland) Regulations 2006 (as amended, and the Charities Act 2011 and applicable regulations. The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The charity constitutes a public benefit entity as defined in FRS102.
- (b) **Designation of funds:** Restricted Funds are maintained where the funds raised are to be used for specific purposes. Accumulated surplus income, which forms the Fund's reserves, is retained in Unrestricted Funds. Reserves are maintained to meet the Fund's continuing obligations and to cater for future needs and contingencies. Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.
- (c) **Investments:** The investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value at the balance sheet date and unrealised investment gains or losses are reflected in the Statement of Financial Activities.
- (d) **Subscriptions, donations and legacies:** All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Subscriptions from members are included in the Statement of Financial Activities when received. Donations and legacies from private and other sources are included in the Statement of Financial Activities when received. Gifts-in-kind are valued by the Trustees and are included at that valuation in the Statement of Financial Activities when received.
- (e) **Grants received:** Grants received from charitable organisations towards shared costs are included in the Statement of Financial Activities when received or deferred to the extent that they relate to future accounting periods. Grants from pharmaceutical companies, which are restricted to an overall limit of 25% of charity income averaged over the last 3 years, are treated similarly.
- (f) **Expenditure and liabilities:** Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be recovered, and is reported as part of the expenditure to which it relates. Costs of generating funds comprise the costs associated with attracting voluntary income. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for the beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and fess linked to the strategic management of the charity. Support costs are allocated to charitable activities in proportion to the estimated time expended by the Society's staff on these activities.
- Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.
- (g) **Fixed assets:** Fixed assets are depreciated at 25% per annum on a straight-line basis.

(h) **Branch Funds:** Funds held by branches are treated as Restricted Funds as such funds are primarily for use by branch members to facilitate appropriate treatment. Transactions at branches are reflected in the Statement of Financial Activities.

(i) **Pension contributions:** The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable to the fund in respect of the year.

2. INCOME FROM DONATIONS AND LEGACIES

This category comprises income from all sources where the income is provided on a voluntary basis. It includes subscriptions, donations, grants, legacies and income from fundraising events. Where relevant the income has been increased by any Gift Aid received.

	Year to 31 Dec 2017 £	Year to 31 Dec 2016 £
Unrestricted funds		
Subscriptions	83,890	72,140
Donations and grants	109,799	125,509
Fundraising events	55,825	61,554
Annual Draws	9,432	11,193
Legacies	682,291	36,793
Total	941,237	307,189
Branch funds		
Subscriptions	188,241	173,775
Donations	20,388	23,005
Fundraising events	14,556	11,530
Other income	964	4,252
Total	224,149	212,562
Branch Development Fund		
Donations	-	-
Total	-	-
Fergus Rogers Fund		
Donations	-	-
Total	-	-
Total voluntary income	1,165,386	519,751

3. INCOME FROM CHARITABLE ACTIVITIES

Income in this category is primarily associated with grants received to fund specific charitable activities. It includes income from trading and merchandise sales.

	Year to 31 Dec 2017 £	Year to 31 Dec 2016 £
Unrestricted funds		
Grants for specific activities	125,736	133,909
Merchandise sales	7,901	6,742
Total	<u>133,637</u>	<u>140,651</u>
Total income from charitable activities	<u>133,637</u>	<u>140,651</u>

4. INVESTMENT INCOME

Income in this category comprises interest, dividends and rental income earned on the Society's investments and bank deposits.

	Year to 31 Dec 2017 £	Year to 31 Dec 2016 £
Unrestricted funds		
Rental income received	22,800	22,813
Dividends received	-	8
Interest received	79	664
Total	<u>22,879</u>	<u>23,485</u>
Branch funds		
Interest received	69	132
Total	<u>69</u>	<u>132</u>
Total investment income	<u>22,948</u>	<u>23,617</u>

5. EXPENDITURE ON RAISING FUNDS

Costs in this category comprise those costs associated with generating income from all sources. Certain costs are excluded where the source of the income is a charitable activity such as shop trading, but the Society does not undertake any of these excluded activities.

	Year to 31 Dec 2017 £	Year to 31 Dec 2016 £
Unrestricted funds		
Annual draw prizes and expenses	3,594	2,958
Fundraising expenses	16,785	20,544
Support costs (note 8)	104,800	99,113
Total	<u>125,179</u>	<u>122,615</u>
Branch funds		
Fundraising expenses	4,862	917
Total	<u>4,862</u>	<u>917</u>
Total costs of generating funds	<u>130,041</u>	<u>123,532</u>

6. EXPENDITURE ON CHARITABLE ACTIVITIES

(a) Charitable expenditure comprises all of the costs incurred by the Society in meeting its charitable objectives. These costs are summarised into the 3 main areas of charitable activity: research, campaigning, and education and support.

		Year to 31 Dec 2017 £	Year to 31 Dec 2016 £
Unrestricted funds			
Research	[note 6(b)]	77,158	62,048
Campaigning	[note 6(c)]	135,972	125,168
Education and support	[note 6(d)]	222,805	234,126
Governance costs	[note 7]	10,314	8,714
Total		<u>446,249</u>	<u>430,056</u>
Branch funds			
Education and support	[note 6(e)]	197,301	201,391
Total		<u>197,301</u>	<u>201,391</u>
Fergus Rogers Fund			
Welfare – grants made		-	250
Total		<u>-</u>	<u>250</u>
Total resources expended on charitable activities		<u>643,550</u>	<u>631,697</u>

(b) Expenditure on research from the Society's unrestricted funds comprised the following:

	Year to 31 Dec 2017	Year to 31 Dec 2016
	£	£
Grants for research and bursaries	47,215	33,730
Support costs (note 8)	29,943	28,318
Total research expenditure	77,158	62,048

(c) Expenditure on campaigning from the Society's unrestricted funds comprised the following:

	Year to 31 Dec 2017	Year to 31 Dec 2016
	£	£
Advertising and campaigning	46,144	40,215
Support costs (note 8)	89,828	84,953
Total campaigning expenditure	135,972	125,168

(d) Expenditure on education and support from the Society's unrestricted funds comprised the following:

	Year to 31 Dec 2017	Year to 31 Dec 2016
	£	£
AS News	13,978	15,906
Literature, brochures and information	47,836	62,189
Patient and member conferences	8,626	9,271
Branch conferences and support	2,652	5,170
Support costs (note 8)	149,713	141,590
Total education & support expenditure	222,805	234,126

(e) Expenditure on education and support from the Society's branch funds comprised the following:

	Year to 31 Dec 2017	Year to 31 Dec 2016
	£	£
Treatment by healthcare professionals	153,561	159,716
Hire of venues and facilities	31,356	29,318
Grants payable	4,205	2,544
Support costs (note 8)	8,179	9,813
Total branch education & support expenditure	197,301	201,391

7. GOVERNANCE COSTS

Governance costs relate to the general running of the Society as a legal entity.

	Year to 31 Dec 2017	Year to 31 Dec 2016
	£	£
Expenses paid to Trustees	2,407	2,133
Trustees meetings	1,907	1,661
Auditors' remuneration	6,000	4,920
Total governance costs	10,314	8,714

The Trustees received no remuneration during the year (2016 - nil). Twenty Trustees claimed expenses amounting to £4,314 during the year.

8. SUPPORT COSTS

Support costs comprise all of the costs, except governance costs, associated with the administration of the Society and the implementation of its charitable objectives.

(a) Central support costs incurred in the year comprised the following:

	Year to 31 Dec 2017	Year to 31 Dec 2016
	£	£
Staff costs (note 8c)	276,268	248,931
Premises costs	32,448	50,487
Travel expenses	16,732	9,607
IT and Communications	27,483	26,066
Office costs	18,043	10,426
Insurance, legal and professional	3,310	8,457
Total support costs	374,284	353,974

(b) Support costs are allocated to the Society's activities on the basis of the estimated time spent by the Society's paid staff on each activity. The allocation for the year is set out below:

Charitable activities	Year to 31 Dec 2017	Year to 31 Dec 2016
	£	£
Research	29,943	28,318
Campaigning	89,828	84,953
Education and support	149,713	141,590
Fundraising activities	104,800	99,113
	374,284	353,974

Branch support costs incurred in the year amounted to £8,179 (2016- £9,813) and are wholly attributable to education and support.

8. SUPPORT COSTS - continued

c) Staff costs incurred during the year consisted of:

	Year to 31 Dec 2017 £	Year to 31 Dec 2016 £
Wages and salaries	239,023	214,846
Social security contributions	23,237	19,656
Pension contributions	11,446	7,629
Recruitment, training and other costs	2,562	6,800
Total staff costs	276,268	248,931

d) Information about employees:

	Year to 31 Dec 2017	Year to 31 Dec 2016
Average number of employees during the year	7	6
Number of employees for whom pension contributions have been made	7	4
Number of employees whose emoluments exceeded £60,000 per annum £70,000 to £80,000	1	1

The total employment benefits of the key management personnel including employer national insurance and employer pension contributions were £96,252 (2016- £87,153).

9. TANGIBLE FIXED ASSETS

	Office Equipment £	Total £
Cost at 31 December 2016	22,649	22,649
Additions in the year	-	-
Disposal in the year	(22,649)	(22,649)
Cost at 31 December 2017	-	-
Depreciation at 31 December 2016	10,518	10,518
Depreciation charge for the year	4,378	4,378
Disposal in the year	(14,896)	(14,896)
Depreciation at 31 December 2017	-	-
Net book value at 31 December 2016	12,131	12,131
Net book value at 31 December 2017	-	-

10. INVESTMENTS AND INVESTMENT GAINS AND LOSSES

Investments	31 Dec 2017 £	31 Dec 2016 £
Leasehold property at valuation		
Balance at the start of the year	720,513	675,000
Additions in the year (conversion costs)	-	45,513
Revaluation loss	(20,513)	-
	<u>700,000</u>	<u>720,513</u>
Bronze statues, at valuation		
	72,000	72,000
	<u>772,000</u>	<u>792,513</u>
Investment gains (losses)		
	31 Dec 2017 £	31 Dec 2016 £
Leasehold property at valuation	(20,513)	-
Bronze statues, at valuation	-	-
Listed shares, at valuation	-	-
	<u>(20,513)</u>	<u>-</u>

In 2015 the Society completed the conversion of its former office in Richmond into two residential flats and these were reclassified as investments in the Society's accounts. The flats have been professionally valued at a combined amount of £700,000, giving rise to an unrealised loss of £20,513 in the year.

Because the society is an unincorporated association, title to these two properties are registered in the name of two trustees.

The bronze statues, by Elizabeth Frink, were acquired at a cost of £2,156 in 2009. These were revalued in 2010 giving rise to an unrealized gain of £59,844. In 2015 a further unrealized gain of £12,000 was reported. A valuation in January 2018 has upheld the current value.

11. DEBTORS AND PREPAYMENTS

	31 Dec 2017 £	31 Dec 2016 £
Office lease deposit	5,687	8,100
Prepayments	4,000	8,100
Sundry debtors	700	10,000
	<u>10,387</u>	<u>26,200</u>

12. CASH AT BANK AND IN HAND

	31 Dec 2017	31 Dec 2016
	£	£
Deposit account balances held centrally	331,670	350,290
Deposit account balances held by branches	239,206	219,110
Current account balances	629,994	81,725
Cash in hand	3,969	6,992
	<u>1,204,839</u>	<u>658,117</u>

13. CREDITORS: Amounts falling due within one year

	31 Dec 2017	31 Dec 2016
	£	£
Taxes and Social Security	780	7,236
Sundry creditors	12,751	10,199
Deferred income	27,678	52,401
Accrued expenses	6,960	7,935
	<u>48,169</u>	<u>77,771</u>

There are no creditors falling due after more than one year (2016 – nil).

14. UNRESTRICTED FUNDS

Unrestricted Funds represent the accumulated surplus income of the Society and form the Society's Reserves. These funds are expendable on the Society's charitable activities without restriction. The Society's policy on Reserves is explained in the Trustees' Report.

15. BRANCH FUNDS

Funds held by the Society's branches are treated as restricted funds. The use of these funds is limited to the furtherance of branch activities in support of the Society's charitable activities. Amounts held by branches in excess of 2 years' normal expenditure are required to be transferred to the Society's Unrestricted Funds. No such transfers were made in the year nor in the previous year.

During the year grants totalling £100 (2016 - £390) were paid to branches from Unrestricted Funds and donations totalling £3,103 (2016 - £2,899) were made by branches to Unrestricted Funds.

16. BRANCH DEVELOPMENT FUND

Funds held in the Branch Development Fund have been raised to support the development of the Society's branch network. During the year £nil (2016 - £nil) was transferred from branch funds for this purpose.

17. FERGUS ROGERS FUND

Funds held in the Fergus Rogers Fund have been raised to support 2 areas of the Society's charitable activities: research and welfare into AS and related conditions. During the year £nil (2016 – £250) was expended on welfare.

18. RECONCILIATION OF CHARITABLE FUNDS

	Unrestricted Fund £	Branch Funds £	Branch Dev Fund £	Fergus Rogers Fund £	Total Funds £
Tangible assets	-	-	-	-	-
Investments	772,000	-	-	-	772,000
Debtors and prepayments	10,387	-	-	-	10,387
Cash at bank and in hand	956,782	243,055	2,201	2,801	1,204,839
Less creditors	(48,169)	-	-	-	(48,169)
Total charitable funds	1,691,000	243,055	2,201	2,801	1,939,057

For the year ended 31 December 2016, all tangible assets, investments and debtors related to unrestricted funds. Of the cash at bank and in hand balance of £658,117, an amount of £230,940 related to restricted funds.

19. SUMMARY OF FUNDS – PRIOR YEAR

	Unrestricted Fund £	Branch Funds £	Branch Dev Fund £	Fergus Rogers Fund £	Total Funds £
Balance at 1 January 2016	1,261,022	216,126	2,201	3,051	1,482,400
Income	471,325	212,694	-	-	684,019
Expenditure	(552,671)	(202,308)	-	(250)	(755,229)
Transfers between funds	2,509	(2,509)	-	-	-
Balance at 31 December 2016	1,182,185	224,003	2,201	2,801	1,411,190

20. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year.

21. FINANCIAL COMMITMENTS

At 31 December 2017 the charity had future minimum lease payments under non-cancellable operating leases totalling £108,000 which represents payments up to September 2022.