

MYASTHENIA GRAVIS ASSOCIATION
(Limited by guarantee)

**TRUSTEES REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 MARCH 2004**

Registered company number: 3038358

Charity registered number: 1046443

MYASTHENIA GRAVIS ASSOCIATION

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MYASTHENIA GRAVIS ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Status

The Myasthenia Gravis Association (MGA) is a charitable company limited by guarantee. It was registered as a charity on 19th May 1995 and incorporated on 27th March 1995.

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. Under those Articles, members of the Board (who are directors for the purposes of company law and trustees for the purposes of charity law) are elected at the Annual General Meeting to serve for a period of three years (excepting the Chairman and Honorary Treasurer, who are re-elected each year).

Trustees / Directors

Miss C Beetham	Appointed	26 Oct 02	Mrs M D Lane	Appointed	6 Apr 95
				Resigned	22 Nov 03
Mr P Finney	Appointed	6 Apr 95	Mr M J F Palmer	Appointed	24 Jan 04
	Resigned	18 Oct 01			
	Re-appointed	26 Oct 02			
Dr I Hart	Appointed	10 Nov 01	Mr K Watkins	Appointed	27 Sep 97
Mr R Haverson	Appointed	26 Oct 02	Professor H N A Willcox	Appointed	26 Oct 02
Mr M Haworth	Appointed	26 Oct 02	Mrs J Whittingham	Appointed	10 Jan 02
Mr C Kodua	Appointed	11 Aug 01	Mr R Wright	Appointed	11 Aug 01
				Resigned	3 Jun 02
				Re-appointed	27 Mar 04

Chairman

Mr P Finney: Elected at AGM 26th October 2002

Vice-Chairman

Mrs M D Lane: Appointed 23rd March 2002

Resigned 22nd November 2003

Mr M Haworth: Appointed 22nd November 2003

Company Secretary

Mr Andrew Lutley
(Solscan Ltd):

Appointed 23rd November 2002

Honorary Treasurer

Mr C Kodua: Appointed 2nd March 2002

Appointed Deputy Treasurer 23rd November 2002

Acting Treasurer from 5th December 2002

Chief Executive

Mr A Nimmo

MYASTHENIA GRAVIS ASSOCIATION**LEGAL AND ADMINISTRATIVE INFORMATION****Registered Office:**

Springfield
Rookery Hill
Ashtead Park
Ashtead
Surrey
KT21 1HY

Principal Office:

Keynes House
Chester Park
Alfreton Road
Derby
DE21 4AS

Auditors:

Johnson Tidsall,
Chartered Accountants
81 Burton Road
Derby
DE1 1TJ

Bankers:

HSBC Bank plc
15 Uttoxeter Road
Mickelover
Derby
DE3 0DA

Solicitors:

Mr Andrew Lutley,
Springfield
Rookery Hill
Ashtead Park
Ashtead
Surrey
KT21 1HY

MYASTHENIA GRAVIS ASSOCIATION

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2004

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2004. In preparing the annual report and financial statements, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 has been adopted.

Objectives of the Charity

The objectives of the charity are:

The Myasthenia Gravis Association is dedicated to establishing a network of local Branches across the UK and Ireland, through which it can provide comfort and support to meet the needs of all Myasthenics and their families.

The Association is dedicated to a programme of education that will raise the awareness of the disease with the general public, and in particular, all branches of the medical profession, for the purposes of improving diagnosis and treatment.

The Association is dedicated to funding medical and scientific research into the alleviation of the disease and ultimately establishing the causation and cure.

Organisation

A Board of trustees (directors), who meet 6 times a year, administers the charity. There are currently three sub-committees:

Medical Sub-committee:

Mrs J Whittingham (Chairman)
Prof H Willison
Prof H N A Willcox
Mr Rodney Haverson

Publications Sub-committee:

Mr Rodney Haverson (Chair)
Dr David Hilton-Jones
Prof H N A Willcox
Mr Alasdair Nimmo (CEO)

Financial Sub-committee:

Mr C Kodua (Chair)
Mr M Haworth
Mr B McColl (co-opted)

A Chief Executive Officer (CEO) is appointed by the trustees to manage the day-to-day operations of the charity. The CEO reports to the Chairman as his Line-Manager.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2004

Investment Powers

Investments are made in compliance with the memorandum and articles of association, which enables trustees to invest as they see fit. The trustees consider the return on investment for the year at 4.1% (2003: 4.3%) to be satisfactory in the current investment climate but aim to keep this under regular review.

Reserves Policy

The trustees review anticipated future expenditure to ensure that reserves are maintained at a sufficient level for the charity to maintain its core activities. In the financial year 2004-5 (starting 1st April 2004) the Board will operate a Reserves Policy which aims to maintain reserves of at least 6 months' budgeted expenditure (less research expenditure) plus one year's committed research funding (where the charity does not possess sufficient Restricted Funds for research to cover future funding commitments). The aims of this policy are to ensure that the charity has sufficient cash resources to fund its day-to-day activities, and to ensure that funds are not committed to research unless it can be predicted that they will be available when required.

Grant-making Policy

The charity awards grants to the Muscular Dystrophy Campaign to carry out research to find new treatments and a cure for Myasthenia Gravis. Grants are decided by the Board of Trustees and are awarded when funds become available. It was decided to make no award of a grant for this financial year.

Review of Activities

Overview

In broad terms 2003-04 was a continuation of the charity's activities and financial performance from the previous financial year. The Board continued its policy of branch and regional development, whilst maintaining a ceiling of 8 Regional Organisers to cover the United Kingdom and The Irish Republic. Within the broad policy there was a slight shift of emphasis towards fundraising activity. The number of active branches has remained almost static and is currently 68. Membership of the Association continues to rise steadily; the number of full (voting) members is now 1,285.

The Board's main pre-occupation continues to be how to reconcile the competing demands on the charity's limited financial resources. The charity's cash reserves were put under considerable strain by the need to continue payments to the Muscular Dystrophy Campaign (MDC) against a longstanding commitment for research funding. £75,000 was paid out in this way during the financial year 2003-04. The final payment has since been made in the current year. The charity now has no outstanding commitments for research funding (having made no new commitments in 2003-04). This outflow occurred against a fall of £96,000 in the income from legacies compared with the previous financial year. Despite that fall the charity has maintained its reserves almost static. At the end of the financial year, reserves (including restricted funds but excluding fixed assets) were approximately £280,000 compared with £283,000 at the end of the previous year. This required tight financial

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2004

control and reflects great credit on all concerned, the staff and members particularly. However this level of reserves is only just adequate to support our current budget in the context of the charity's declared reserves policy.

Funds generated at branch level continued to grow, and were approximately £130,000; of this £61,000 came from direct fundraising – the rest via donations and other income directed via the branches. The total is the highest yet recorded for branch income.

The Board believes that it has the financial affairs of the charity under control, but is still faced with the problem that, historically, research has been largely financed from legacy income, and the size of the charity means that that income fluctuates wildly from year to year. One of the objectives of the Regional Development programme has been to grow regular (non-legacy) income so that the reserves could be increased to support consistent year-on-year funding of research. We have still not achieved that goal, and so we are not able to make the commitment to research funding that we would like.

This issue is likely to become more prominent in the next financial year because we are faced with a potential shortfall in funding for the Muscle Centre at the Radcliffe Infirmary, Oxford. This centre is funded jointly by MGA and MDC, since it provides a service for both groups of patients. It is an important facility for us because it provides a vital bridge between the clinical work of the myasthenia clinic and the research being done at the Institute of Molecular Medicine at the John Radcliffe Hospital. The Board may be faced with some difficult decisions if this work is to continue to be fully funded. We have made a good start towards solving this problem; a special appeal for funds has produced good results.

National Awareness Campaign

The Association is holding a major national awareness campaign that will benefit MGA and the BBC Children In Need Appeal in 2004. Children In Need (Pudsey) is supporting MGA in its attempt on a Simultaneous Low Impact Workout Guinness world record. Income generated from this campaign will be split 50/50 to support both charities. It is envisaged that the event will create much need publicity both nationally and locally. In addition the Association will be co-ordinating a lobbying campaign to draw to the attention of MP's and Government Departments based in the House of Commons, and in Cardiff, Edinburgh and Dublin that this Association is the only British body creating funds for research, care, education and information to support sufferers of MG and their families.

Regional Activities

The branches and regional support to them are the heart of MGA. They provide the first line of contact for new myasthenics, and are essential in maintaining the morale and confidence of many myasthenics and their carers and families.

The Regional Organiser programme continues to generate support and income. In the year 2003 the Regional Organisers exceeded their income budget, created 3 new Branches, arranged 11 Regional Meetings across the UK and Ireland which were attended by over 700 members and their families. They secured restricted income of £30k, which has supported the mailing of in excess of 4,000 videos to create

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2004

awareness within the medical professions. 8,000 6'x4' "Give us a Smile" posters have been located in bus stop shelters (at no cost to MGA), and they have started to lay the foundations of working with Children In Need for the following year. A superb effort by all because, for much of the year, the Regional Organisers were not up to full strength.

The programme of Regional Meetings has been a particular success. Many of the meetings have been so well-attended that they threatened to burst out of their venues. Some of the credit for this must go to the stalwart band of unpaid speakers who try to meet the insatiable demand from our members for chances to quiz the professionals about clinical and research matters, and grill trustees and staff alike on charity matters in general.

Fundraising at branch and Regional level has more than met its budgets for the last financial year.

Publishing Activities

Producing high-quality literature is a major priority for the charity. We are well on the way towards completing the 6-volume set of basic literature which we established as an objective some time ago. The first two volumes are in print and have received high praise, not only from our own membership, but internationally. They clearly meet a need. A Welsh translation of Volume 1 is in preparation, and volume 5 is in its final draft stages. We are in discussion with the Myasthenia Gravis Foundation of America (MGFA) for the mutual exchange of published material. All this is greatly to the credit of the Publications sub-committee, and their band of contributors and proof-readers who do most of the work as a charitable act. We must also thank Valeant Pharmaceuticals who continue to support this work financially, without expecting or receiving any endorsement of their products from MGA.

The MGA website continues to attract an increasing audience. It has more than 600 pages of information and news, and attracts over 1,000 visits per day from all over the world. We have recently given permission for National Health Direct to use the site as a reference, and to reproduce its material. This formalises the situation which our access monitoring had already revealed – they were already a major visitor to the site. The website is also a major distribution medium for our printed material. Thousands of copies of our booklets and newsletters are being downloaded.

Central Support

The team at Keynes House is small but essential – and hard working. As well as performing the essential administrative functions that oil the wheels of MGA, they have several operational roles. They distribute our literature, produce the MGA Newsletter, manage and distribute our promotional merchandise, and operate the free help-line (which had more than 900 calls in 2003-04).

They also operate a major extension to the website which provides specialised support to the fundraising events being organised at national and regional level.

Trust and corporate fundraising is a central function which has not yet achieved its full potential – although it is more than covering its costs. This is a long-term project. It is supported by the medical research sub-committee, which has been working to develop a 'portfolio' of research packages which can be offered to potential donors.

MYASTHENIA GRAVIS ASSOCIATION**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2004****Risk Management**

The Association has significantly strengthened its Risk Management capability in the year with the establishment of the Financial Sub-Committee. The Sub-committee has a wide brief to oversee the financial affairs of Association, including the continuous review of reserves and investment policy and implementation.

The Association will continue to work towards strengthening its risk management capability in the next financial year.

Trustees' responsibilities in relation to the financial statements

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act, 1985. The trustees 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.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board and signed on its behalf by: -

Peter Finney, Chairman
Myasthenia Gravis Association

Date

MYASTHENIA GRAVIS ASSOCIATION

We have audited the financial statements of Myasthenia Gravis Association for the year ended 31 March 2004 which comprise the Statement of Financial Activities, the Balance Sheet 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 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 trustees and auditors

As described on page 7 the trustees (who are also the directors of the Myasthenia Gravis Association for the purposes of company law) are responsible for the preparation of the Trustees' Report and the 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 Trustees' Annual Report is not consistent with the financial statements, if the charity 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 trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Report, 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 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 judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

MYASTHENIA GRAVIS ASSOCIATION

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date

JOHNSON TIDSALL
Chartered Accountants &
Registered Auditors
81 Burton Road
DERBY
DE1 1TJ

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2004

	<u>Notes</u>	<u>Unrestricted funds 2004</u> £	<u>Restricted funds 2004</u> £	<u>Total funds 2004</u> £	<u>Total funds 2003</u> £
Incoming resources					
Donations and legacies	3	222,185	5,213	227,398	287,577
Activities in the furtherance of the charity's objectives		45,639	565	46,204	24,211
Activities for generating funds	2	279,709	64,021	343,730	374,435
Investment income	15	8,482	-	8,482	11,697
Other income		10	-	10	27
Total incoming resources		<u>556,025</u>	<u>69,799</u>	<u>625,824</u>	<u>697,947</u>
Resources expended					
<u>Charitable expenditure</u>					
Costs of activities in furtherance of the charity's objects:					
Research		6,929	-	6,929	(90,583)
Care		126,579	13,679	140,258	176,811
Branch development		75,434	-	75,434	82,825
Education		67,899	32,321	100,220	101,519
		<u>276,841</u>	<u>46,000</u>	<u>322,841</u>	<u>270,572</u>
<u>Cost of generating funds</u>					
Fundraising and publicity		280,435	-	280,435	345,798
Management and administration		45,092	-	45,092	53,331
Total resources expended	4	<u>602,368</u>	<u>46,000</u>	<u>648,368</u>	<u>669,701</u>
Net (outgoing)/incoming resources					
- Net (expenditure)/ income for the year	14	(46,343)	23,799	(22,544)	28,246
Other recognised gains and losses					
Profit on disposal of investments		481	-	481	-
Unrealised gain/ (loss) on revaluation of investments	7	12,610	-	12,610	(31,123)
Net movement in funds		<u>(33,252)</u>	<u>23,799</u>	<u>(9,453)</u>	<u>(2,877)</u>
Total funds at 1 April 2003		281,409	14,562	295,971	298,848
Total funds at 31 March 2004	12	<u>£248,157</u>	<u>£38,361</u>	<u>£286,518</u>	<u>£295,971</u>

No separate summary income and expenditure account has been prepared as it will not differ from the statement of financial activities above.

The annexed notes form part of these financial statements.

BALANCE SHEET AT 31 MARCH 2004

	<u>Notes</u>	<u>2004</u>	<u>2003</u>
		£	£
Tangible fixed assets			
Tangible assets	6	6,687	12,537
Investments	7	110,864	99,212
		<u>117,551</u>	<u>111,749</u>
Current assets			
Debtors	8	51,816	74,659
Cash at bank and in hand		151,058	216,821
		<u>202,874</u>	<u>291,480</u>
Creditors: amounts falling due			
within one year	9	<u>33,907</u>	<u>107,258</u>
Net current assets		<u>168,967</u>	<u>184,222</u>
Net assets	11	<u>286,518</u>	<u>295,971</u>
Unrestricted funds			
General funds		248,157	281,409
Restricted funds			
		<u>38,361</u>	<u>14,562</u>
Total funds	12	<u>£286,518</u>	<u>£295,971</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the trustees and
signed on behalf of the Myasthenia Gravis Association

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Treasurer

Date

The annexed notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004**1. Accounting policies****Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and the Companies Act 1985.

The financial statements have been prepared in accordance with best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000).

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over their expected useful lives as follows:

Office furniture and equipment - 20% & 33 1/3% per annum straight line

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Restricted funds

When donors specify that donations and grants are for particular purposes which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable. The relevant expenditure is then matched as restricted expenditure.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of VAT, which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration on each activity, including the salary and overhead costs of the general office, is apportioned on the following bases which are an estimate, based on staff time, of the amount attributable to each activity:

	<u>Central support</u>	<u>Regional Organisers</u>
Research	0 %	3%
Care	25%	20%
Branch development	15%	15%
Education	25%	5%
Fundraising and publicity	25%	57%
Management and administration	10%	0%

Research grants and other expenditure

Provision is made for research grants in the year in which expenditure is committed. All other expenditure is dealt with on an accruals basis and includes irrecoverable VAT where appropriate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004**Investments**

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluations is taken to the Statement of Financial Activities.

Management and administration expenditure

Expenditure on management and administration of the Association includes all expenditure not directly related to the charitable activity or fundraising. This includes the cost of running the premises, staff salaries and other office expenses including audit fees.

Reserves

The charity maintains the level of reserves required to fulfil its objectives. The trustees monitor reserves at regular meetings.

Pension costs

The charity operates a defined contribution scheme providing benefits for employees additional to those from the state. The pension cost charge represents contributions payable by the charity to the scheme in respect of the year. The assets of the scheme are administered by Pension Scheme Trustees in a fund independent from that of the charity.

Fund accounting

The Association has both restricted and unrestricted funds. All funds are used to benefit and promote the charitable objects of the Association with the unrestricted funds being used at the discretion of the trustees.

2. Activities for generating funds

	<u>2004</u>	<u>2003</u>
	£	£
Income generated by Regional Organisers	214,083	228,830
Income generated by Branches	64,945	69,184
Lotteries	21,642	21,131
Sales of merchandise and Christmas cards	9,820	11,343
Other	33,240	43,947
	<u>£343,730</u>	<u>£374,435</u>

3. Donations and legacies

Donations	195,328	158,790
Legacies	32,070	128,787
	<u>£227,398</u>	<u>£287,577</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004**4. Total resources expended**

	<u>Research</u>	<u>Care</u>	<u>Branch</u>	<u>Education</u>	<u>Fundraising</u>	<u>Management</u>	<u>Total</u>	<u>Total</u>
	£	£	development	£	and	and	2004	2003
			£		publicity	administration	£	£
Staff costs - Salaries and NI	5,816	70,169	47,917	41,088	141,901	12,558	319,449	374,284
Travel and misc.	1,027	12,428	8,483	7,294	25,091	2,233	56,556	89,453
Training	53	530	371	265	1,185	71	2,475	7,558
Total staff costs	6,896	83,127	56,771	48,647	168,177	14,862	378,480	471,295
Council expenses	-	-	-	-	-	8,329	8,329	9,349
Legal, professional and AGM costs	-	2,623	2,547	-	-	12,926	18,096	21,843
Rental of premises	-	2,667	1,600	2,667	2,667	1,067	10,668	10,200
Utilities and insurance	-	3,416	2,049	3,416	3,416	1,366	13,663	12,520
Repairs and renewals	-	444	266	444	444	178	1,776	2,274
Depreciation	-	1,978	1,186	1,978	1,978	791	7,911	11,346
Merchandise	-	-	-	-	6,302	-	6,302	7,826
Advertising	-	-	-	-	16,684	-	16,684	37,128
Videos	-	-	-	31,451	-	-	31,451	23,240
Events	-	-	-	-	36,064	-	36,064	52,578
Appeal mailings	-	-	-	-	11,653	-	11,653	529
MGA News	-	25,580	-	-	-	-	25,580	40,617
Printing, postage and stationery	-	10,274	6,164	10,274	10,274	4,109	41,095	38,821
Meetings and conferences	33	8,861	168	55	628	-	9,745	10,085
Open air fundraising (note 5)	-	-	-	-	20,860	-	20,860	10,551
General expenses	-	1,288	4,683	1,288	1,288	1,464	10,011	9,499
Medical research (note 10)	-	-	-	-	-	-	-	(100,000)
	6,929	140,258	75,434	100,220	280,435	45,092	648,368	669,701

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004**5. Open Air Fundraising costs**

During the year ended 31 March 2003, costs amounting to £51,411 were incurred in respect of a one-off fundraising campaign to secure future regular donations. These costs are being charged on a straight line basis to 'Resources expended- Fundraising and publicity' over a period of 24 months, being the estimated average period over which such donations are receivable.

6. Tangible assets

	<u>Office furniture and equipment</u> £	<u>Total</u> £
<u>Cost:</u>		
At 1 April 2003	41,323	41,323
Additions	2,061	2,061
At 31 March 2004	<u>43,384</u>	<u>43,384</u>
<u>Depreciation:</u>		
At 1 April 2003	28,786	28,786
Provided during the year	7,911	7,911
At 31 March 2004	<u>36,697</u>	<u>36,697</u>
<u>Net book value:</u>		
At 31 March 2004	<u>6,687</u>	<u>6,687</u>
At 31 March 2003	<u>12,537</u>	<u>12,537</u>

7. Investments

	<u>2004</u> £
<u>Cost (listed investments):</u>	
At 1 April 2003	103,391
Disposal cost	(1,167)
At 31 March 2004	<u>102,224</u>
<u>Market value (listed investments):</u>	
At 1 April 2003	99,212
Market value of investments disposed	(958)
Net unrealised profit	12,610
At 31 March 2004	<u>110,864</u>

Of the listed investments, at market value £110,657 (2003- £98,020) consists of funds held with COIF Charity Funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
		£	£
8. Debtors			
Prepayments and accrued income		33,293	48,246
Other debtors (including legacies not yet received)		18,523	26,413
		<u>51,816</u>	<u>74,659</u>
		<u>2004</u>	<u>2003</u>
		£	£
9. Creditors: amounts falling due within one year			
Committed research grants	10	25,000	100,000
Accruals		8,907	7,258
		<u>33,907</u>	<u>107,258</u>
		<u>2004</u>	<u>2003</u>
		£	£
10. Provisions for committed research grants			
Balance at 1 April 2003		100,000	225,000
Research grants committed during the year		-	-
Unused provisions reversed (see below)			(100,000)
Payments made during the year		(75,000)	(25,000)
		<u>25,000</u>	<u>100,000</u>
Balance at 31 March 2004			
<u>Disclosed as -</u>			
Current obligations		25,000	100,000
Non-current obligations		-	-
		<u>25,000</u>	<u>100,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

11. Analysis of net assets between funds

	General funds	Restricted funds	Total funds
	£	£	£
Tangible fixed assets	6,687	-	6,687
Investments	110,864	-	110,864
Current assets	164,513	38,361	202,874
Current liabilities	(33,907)	-	(33,907)
	<hr/>	<hr/>	<hr/>
Net assets at 31 March 2004	248,157	38,361	286,518

12. Movements in funds

	At 1 April 2003	Incoming resources	Outgoing resources	At 31 March 2004
	£	£	£	£
Restricted funds:				
Research	1,737	8,713	-	10,450
Care	-	17,954	(13,679)	4,275
Education	12,825	43,132	(32,321)	23,636
	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	14,562	69,799	(46,000)	38,361
Unrestricted funds:				
General funds	281,409	569,116	(602,368)	248,157
	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	281,409	569,116	(602,368)	248,157
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	295,971	638,915	(648,368)	286,518

Research

Restricted funds in this class will be applied to:

- a. Scientific and clinical research into the causes, disease mechanisms, diagnosis and epidemiology of Myasthenia Gravis, Lambert-Eaton Myasthenic Syndrome, Congenital Myasthenic Syndrome and other similar disorders of the Neuro-Muscular Junction.
- b. The provision of equipment and facilities to support (a).
- c. Provision of specialist medical facilities (including staff) where the Trustees consider that such provision has a significant impact on the effectiveness of (a).

Care

Restricted funds in this class will be applied to:

- d. Development of new support groups and branches of the Association, to foster the health and welfare of myasthenics and their families and carers.
- e. Organisation of Regional Conferences to encourage mutual support between members, myasthenics, and branches.
- f. In exceptional circumstances - provision of specialist medical facilities (including staff) where the Trustees consider that such provision would have a major impact on the health and welfare of myasthenics, and alternative funding cannot be obtained.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

Education

Restricted funds in this class will be applied to:

- g. Preparation, publication and distribution of information about Myasthenia Gravis, Lambert-Eaton Myasthenic Syndrome, Congenital Myasthenic Syndrome and other similar disorders of the Neuro-Muscular Junction. (Including information on their causes, diagnosis and treatment, and issues concerning the lifestyle and quality-of-life of patients with these disorders). Publication and distribution includes development and maintenance of the association's internet websites.
- h. Publicity and promotion of events to foster awareness, in the general public, national and local government, and other bodies, of these disorders, and the problems experienced by patients and their families and carers.
- i. Activities to foster awareness in the medical profession of these disorders, and the problems experienced by patients and their families and carers.
- j. Activities to foster awareness in the medical profession of the current state of best medical practice in the diagnosis and treatment of these disorders.
- k. Regional and national events to disseminate information about these disorders to myasthenics, their families and carers (including information about current and planned future medical and scientific research).

For presentation purposes all restricted income receivable is allocated to one of the above three categories that best describes its restriction.

A detailed breakdown of the income and expenditure allocated to these categories is available on request.

13. Trustees reimbursements

Trustees received reimbursement of their expenses for attending certain Association meetings. In 2004, 10 trustees received a total of £7,920 (in 2003, 13 trustees received a total of £9,349).

No remuneration was paid to any trustees in 2003 or 2004.

The charity paid £1,288 (2003: £939) for trustees indemnity insurance.

14. Net (outgoing)/incoming resources for the year

This is stated after charging:

	<u>2004</u>	<u>2003</u>
	£	£
Depreciation	7,911	11,346
Auditors remuneration	6,160	4,665
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2004

15. Investment income

	<u>2004</u> £	<u>2003</u> £
Interest received	4,339	6,610
Dividends on shares and other investments	4,143	5,087
	<hr/> 8,482 <hr/>	<hr/> 11,697 <hr/>
	<u>2004</u> £	<u>2003</u> £

16. Staff costs

Wages, salaries and recruitment costs	284,955	338,755
Social security costs	27,773	28,449
Pension costs	6,721	7,080
	<hr/> 319,449 <hr/>	<hr/> 374,284 <hr/>

No employee earned more than £50,000 per annum.

The average number of employees, analysed by function, was:

	<u>2004</u> £	<u>2003</u> £
Care, fundraising and publicity	11	13
Management and operations of the charity	4	4
	<hr/> 15 <hr/>	<hr/> 17 <hr/>