# Neuromuscular Centre

Registered Company No 2806607
Registered Charity No 1023605

# Annual Report and Accounts 1998




Neuromuscular Centre, Woodford Lane West, Winsford, Cheshire CW7 4EH
Telephone 01606 861733 Facsimile 01606 861755
Registered in London. Limited by Guarantee. No 2806607. Registered Office as above.

# Neuromuscular Centre

**Registered Charity No 1023606**

| | |
|---|---|
| **Sole Trustee** | Muscular Dystrophy Group of Great Britain and Northern Ireland |
| **Management Committee Members** | A Brindley<br>J Connor (Centre User)<br>D Cundall (Centre User)<br>M Cundall (Centre User)<br>B Dale (Centre User)<br>J W Edwards<br>A Farren (Chairman)<br>JM Jones<br>K Landry<br>D Leather (Centre User)<br>T Lee (Muscular Dystrophy Group)<br>A Morriss (Centre User)<br>P Quinn (Centre User)<br>D Wilbur (Centre User)<br>L Woolley (Centre User) |
| **Secretary to the Company** | A C Bate |
| **Company Number** | 2806607 (England and Wales) |
| **Registered Charity Number** | 1023606 |
| **Registered Office** | Neuromuscular Centre<br>Woodford Lane West<br>Winsford<br>Cheshire CW7 4EH |
| **Solicitors** | Barrow & Cook<br>5/7 Victoria Square<br>St Helens<br>Merseyside WA10 1 |
| **Auditors** | BDO Stoy Hayward<br>8 Baker Street<br>London |
| **Bankers** | Barclays Bank plc<br>21 Dingle Walk<br>Winsford<br>Cheshire CW7 1AG |

# Neuromuscular Centre

**TRUSTEE'S REPORT**
**FOR THE YEAR ENDED 31 DECEMBER 1998**

The Neuromuscular Centre aims to promote and provide opportunities for people with a neuromuscular condition to live fuller lives through training, sheltered employment, and physiotherapy, together with advice and support for themselves and their families.

**Policies**

The unique combination of services provided by the charity is offered directly to individuals and their families in the North West and to others country wide, where practicable. The charity has established a small, well respected, graphic arts business, NMC Trading Ltd, in which the variety of skills and talents of the individuals can be employed, developed and rewarded through therapeutic earnings. The charity provides wheelchair adapted transport for individuals attending the business. Physical management programmes are tailored to the needs of each individual, depending on their type of dystrophy and physical condition, through weekly sessions of physiotherapy and hydrotherapy. As a 'centre of excellence' in the physical management of muscular dystrophy, the charity offers help and advice to other organisations world wide.

**Activities, achievements and developments during the period**

1998 has been a year of growth of services and consolidation of activities. The public awareness campaign that the Centre has launched has been extremely successful, due particularly to the enormous success of the NMC branded event in December "The Spirit of Christmas" held in Chester Cathedral and Town Hall, in 1998 a sell-out event. The Centre has also received extensive television coverage of its activities due to its involvement in Live Challenge '99, a major year-long fundraising event held in the Granada and Borders Television Regions. We are aware that the Neuromuscular Centre is now becoming a recognisable and identifiable name within the region, and that the unique combination of ideas, ideals, standards and services offered at the Centre are increasingly recognised at national levels.

*Training*

During the past year, the Neuromuscular Centre has appointed a dedicated part time trainer who, in association with a local college has created a training programme especially designed for individuals with muscular dystrophy (md). The computer based course combining graphic design and IT is entitled '431 Certificate in Information Technology' Core Module. The course was created and is assessed by EMFEC and therefore is nationally accredited. Completing the course gives a trainee a qualification equivalent to an NVQ at Level 1 and so qualifies him or her to take up a position in a graphic design company. In its first year of operation, five trainees, all of whom have a form of muscular dystrophy, have embarked on the training scheme.

The trainer has now begun a pro-active campaign visiting schools in the region, from Merseyside to Shropshire, meeting young individuals affected by md, their families and their teachers, discussing the NMC training scheme as a possible post-school route, arranging visits and induction courses and attending pupils' annual reviews of statement.

*Subsidiary Trading Company*

In 1998 the NMC and its trading subsidiary NMC Trading Ltd gave sheltered employment opportunities to ten people with md, all of whom earned therapeutic wages. NMC Trading Ltd is a computer based graphic design company which allows employees to deliver competitive products notwithstanding their limited mobility. It has increasingly entered the local commercial marketplace, and now includes amongst its customers Age Concern, Cheshire Fire Brigade, Young Enterprise, Regional Benefits Agencies, local Disability Awareness Groups, RAOBs, and many small businesses.

The most challenging development for NMC Trading last year was gaining access to the Internet. This was the first stage in a strategy developed by the young disabled designers to offer web site design as an exciting new facet of the services offered to customers. At the end of last year, the company gained its first order for website design from Manchester Adoption Agency.

The National Lottery Charities Board has provided three years funding for salaries for three young people with muscular dystrophy to train and gain experience of employment in fundraising and business management. In 1998 all three successfully completed their first year's training, and a notable success has been the succession planning and achievement of a managed handover from the business trainer to the two business management trainees.

In 1998 we invested £65,985 in this opportunity for young people (1997: £68,000).

*Physiotherapy*
During the past year the charity has provided regular physiotherapy to more than seventy individuals (an increase of more than 33% on 1997), support to approximately 200 individuals and their families (an increase of 100% on 1997), and dealt with enquiries for help and assistance nationally and world wide.

Attendance at the fortnightly external clinic at Owestry Orthopaedic Hospital commenced to cover assessments and treatment programmes in conjunction with consultants with a special interest in muscular dystrophy and allied neuromuscular conditions.

The department's greatest achievement in 1998 has to be the financial recognition given to its work by two local health trusts. Not only is the statutory funding vital to the continuance and development of the physiotherapy services at the NMC, but it is also a validation of the work done in the region for those with muscular dystrophy. The physiotherapy department of the NMC has provided a benchmark for health services throughout the UK to recognise that regular physical management is beneficial to those with progressive deteriorating conditions, and that benchmark has been recognised, accepted and supported by two NHS trusts, thus beginning a change of thinking within the NHS. The physiotherapy department is determined that other regional health trusts will follow suit within the next three years.

We invested £115,050 in this area in 1998 (1997: £114,440).

**Financial Performance**
Our income of £222,589 (1997: £179,062) represented an increase of 24% over 1997, although our expenditure only increased by 4%. The deficit of £24,826 (1997: £58,667) is a normal consequence of the requirements of charity accounting where income for capitalised assets is recorded in one year, but depreciated in subsequent years. This factor will characterise our accounts for the foreseeable future, and should be expected while the cost of the building is amortised over the life of the lease.

## STATEMENT OF TRUSTEE'S RESPONSIBILITIES

Company Law requires the Trustee as the director of the Company to prepare accounts for each financial year which 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 that period. In preparing those accounts, the Trustee is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the accounts comply with the Companies Act 1985. It is 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.

By order of the Trustee

Anthony M Lee
Secretary to the Trustee

1 April 1999

# Neuromuscular Centre

**REPORT OF THE AUDITORS**
**TO THE MEMBER OF THE NEUROMUSCULAR CENTRE**

We have audited the accounts on pages 6 to 13.

**Respective responsibilities of Trustee and Auditors**

As described on page 5, the Trustee (who is also the director for the purposes of Company Law) is responsible for the preparation of the accounts. It is our responsibility as auditors to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Trustee in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the charitable company as at 31 December 1998 and of 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.

BDO Stoy Hayward

**BDO Stoy Hayward**
Chartered Accountants
Registered Auditors
London
6 April 1999

# Neuromuscular Centre

## STATEMENT OF FINANCIAL ACTIVITIES
## FOR THE YEAR ENDED 31 DECEMBER 1998

| *Income and Expenditure* | *Notes* | Unrestricted £ | Restricted £ | 1998 Total £ | 1997 Total £ |
|---|---|---|---|---|---|
| **Incoming Resources** | | | | | |
| Donations | | 99,831 | 119,219 | 219,050 | 166,748 |
| Investment income | | 3,539 | - | 3,539 | 12,234 |
| Other income | | - | - | - | 80 |
| **Total Incoming Resources** | | 103,370 | 119,219 | 222,589 | 179,062 |
| **Resources Expended** | | | | | |
| Direct charitable expenditure | | 34,469 | 146,566 | 181,035 | 182,440 |
| Fundraising and publicity | | 50,237 | - | 50,237 | 43,676 |
| Management and administration of the charity | | 16,143 | - | 16,143 | 11,613 |
| **Total Resources Expended** | 2 | 100,849 | 146,566 | 247,415 | 237,729 |
| **Net Outgoing Resources for the year** | | 2,521 | (27,347) | (24,826) | (58,667) |
| **Funds brought forward at 1 January** | | 2,999 | 172,279 | 175,278 | 233,945 |
| **Funds carried forward at 31 Dec.** | 7 | 5,520 | 144,932 | 150,452 | 175,278 |

All disclosures only relate to continuing operations.

There are no recognised gains or losses other than those disclosed in the accounts.

# Neuromuscular Centre

**BALANCE SHEET**
**FOR THE YEAR ENDED 31 DECEMBER 1998**

| | Note | 1998 £ | 1997 £ |
|---|---|---|---|
| **Fixed Assets** | | | |
| Tangible assets | 3 | 201,437 | 216,882 |
| Investment in subsidiary | 4 | 9 | 9 |
| | | 201,446 | 216,891 |
| **Current Assets** | | | |
| Debtors | 5 | 43,704 | 40,158 |
| Cash at bank | | 18,695 | 71,357 |
| **Total Current Assets** | | 62,399 | 111,515 |
| **Current Liabilities** | 6 | (113,393) | (153,128) |
| **Net Current Liabilities** | | (50,994) | (41,613) |
| **Net Assets** | | 150,452 | 175,278 |
| **Represented by** | | | |
| Restricted Funds | | 144,932 | 172,279 |
| Unrestricted Funds | | 5,520 | 2,999 |
| **Total Funds** | 7 | 150,452 | 175,278 |

On behalf of the Trustee on 1 April 1999

Anthony M Lee
Secretary to the Trustee

# Neuromuscular Centre

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998

## 1 Accounting Policies

### Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards and with the Statement of Recommended Practice, 'Accounting by Charities'.

### Consolidation

The accounts of Neuromuscular Centre and its subsidiary NMC Trading Ltd are consolidated into the accounts of the ultimate parent company and so consolidated accounts are not prepared for Neuromuscular Centre intermediate group by virtue of the exemption granted by S.228 Companies Act 1985.

### Income

Donations and other income are recognised on receipt or accrued as income so soon as it is prudent and practicable to do so.

Grants for specific purposes are accounted for as restricted funds. Grants are not recognised as receivable until conditions have been complied with. Grants in respect of expenditure on fixed assets are treated as restricted income and amortised by equal instalments on the same basis as the depreciation charge applicable to the asset concerned.

### Expenditure

All expenditure is recognised on an accruals basis and includes irrecoverable VAT where appropriate.

Charitable expenditure includes all expenditure incurred in pursuance of the charity's objectives, including staff and other costs which are shown as 'other costs'. Indirect costs, which have been apportioned on the basis of time allocation are shown as 'support costs'.

'Other Expenditure' includes all costs directly incurred in the provision of those activities and which have not been apportioned under Direct Charitable Expenditure.

### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

| | | |
|---|---|---|
| Leasehold properties | - | Straight line over the life of the lease |
| Other equipment | - | Straight line over 4 years. |

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998 (continued)

1 **Tax Status**

The company is a registered charity and is not subject to corporation tax on its current activities.

2 **Expenditure**

| | Direct Costs | | Support | Total | Total |
|---|---|---|---|---|---|
| | Grants | Other | Costs | 1998 | 1997 |
| | £ | £ | £ | £ | £ |
| **Direct Charitable Expenditure** | | | | | |
| Training & Trading | 23,750 | 42,235 | - | 65,985 | 68,000 |
| Physiotherapy | 995 | 70,030 | 44,025 | 115,050 | 114,440 |
| Total | 24,745 | 112,265 | 44,025 | 181,035 | 182,440 |
| **Fundraising and publicity** | - | 50,237 | - | 50,237 | 43,676 |
| **Management and Administration** | | | | | |
| Audit Fee | - | 726 | - | 726 | 600 |
| Other Costs | - | - | 15,417 | 15,417 | 11,013 |
| Total | - | 726 | 15,417 | 16,143 | 11,613 |
| **Total Resources Expended** | 24,745 | 163,228 | 59,442 | 247,415 | 237,729 |

| **Employee Information** | 1998 | 1997 |
|---|---|---|
| | £ | £ |
| **Remuneration of Staff** | | |
| Wages and Salaries | 141,230 | 102,317 |
| Pension | 5,767 | 4,051 |
| Social Security Costs | 14,614 | 8,415 |
| Total | 161,611 | 114,783 |

**Disclosure Information**

The average number of employees during the year was 6 (1997: 6), of which 3 (1997:3) were involved in administration, the balance in direct charitable purposes (1997: 3).

No employee earned more than £40,000 per annum. No expenses were reimbursed to the Trustees.

NMC offers defined contributions to employee's pension arrangements. This is either to an employee's portable scheme or to a funded occupational pension scheme managed by the Equitable Life Assurance Company. Contributions are charged in the accounts as incurred and there were no outstanding contributions at the Balance Sheet date.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998 (continued)

3 **Tangible Assets**

| | Land & Buildings Leasehold £ | Other Equipment £ | Total £ |
|---|---|---|---|
| **Cost at 1 January 1998** | 235,066 | 90,614 | 325,680 |
| Additions | 8,455 | 4,423 | 12,878 |
| At 31 December 1997 | 243,521 | 95,037 | 338,558 |
| **Depreciation at 1 January 1998** | 37,655 | 71,143 | 108,798 |
| Charge for year | 14,631 | 13,692 | 28,323 |
| At 31 December 1998 | 52,286 | 84,835 | 137,121 |
| **Net book value** | | | |
| At 31 December 1998 | 191,235 | 10,202 | 201,437 |
| At 31 December 1997 | 197,411 | 19,471 | 216,882 |

All tangible assets are used in functions of the charity and are valued at written down cost. All material assets are used for direct charitable expenditure.

4 **Investment in Subsidiary**

| | £ | £ |
|---|---|---|
| Cost at 1 January 1998 and at 31 December 1998 | 9 | 9 |

In the opinion of the Trustee the aggregate value of the charity's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The subsidiary is the charity's wholly owned trading subsidiary and its details are as follows:

| Company | Country of Registration | Shares held Class | % |
|---|---|---|---|
| NMC Trading Limited | England and Wales | Ordinary | 100 |

The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial year were as follows:

| | Capital and Reserves 1998 £ | Loss for the year 1998 £ | Capital and Reserves at 31 Dec 1997 £ | Loss for the year 1997 £ |
|---|---|---|---|---|
| NMC Trading Limited | (17,271) | (13,721) | (3,550) | (1,030) |

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998 (continued)

## 5 Debtors

| | 1998 £ | 1997 £ |
|---|---|---|
| Amounts owed by related undertakings | 38,000 | 38,000 |
| Other debtors | 5,704 | 2,158 |
| | 43,704 | 40,158 |

## 6 Creditors: amounts falling due within one year

| | 1998 £ | 1997 £ |
|---|---|---|
| Trade creditors | 897 | - |
| Amounts owed to related undertakings | 96,325 | 129,341 |
| Accruals and Deferred Income | 16,171 | 23,787 |
| | 113,393 | 153,128 |

All related undertaking balances are unsecured and do not bear interest.

## 7 Funds

| | Balance at 1 January 1998 £ | Movement in Resources Incoming £ | Outgoing £ | Balance at 31 December 1998 £ |
|---|---|---|---|---|
| **Restricted Funds** | | | | |
| Building Fund | 172,279 | - | (28,323) | 143,956 |
| Equipment | - | 13,368 | (12,747) | 621 |
| Physiotherapy | - | 45,456 | (45,101) | 355 |
| Other Funds | - | 60,395 | (60,395) | - |
| | 172,279 | 119,219 | (146,566) | 144,932 |
| **Unrestricted Funds** | | | | |
| General Funds | 2,999 | 103,370 | (100,849) | 5,520 |
| **Total Funds** | 175,278 | 222,589 | (247,415) | 150,452 |

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998 (continued)

**Represented by:**

| | Fixed Assets | Deprec'n | Net Current Assets/(Liabilities) | Total 1998 |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| **Restricted Funds** | | | | |
| Building Fund | 189,687 | 50,851 | 5,120 | 143,956 |
| Equipment Fund | - | - | 621 | 621 |
| Physiotherapy Fund | - | - | 355 | 355 |
| **Total** | 189,687 | 50,851 | 6,096 | 144,932 |
| **Unrestricted Funds** | | | | |
| General Funds | 148,880 | 86,270 | (57,090) | 5,520 |
| **Total Funds** | 338,567 | 137,121 | (50,994) | 150,452 |

- The Building Fund represents accumulated funds given towards the construction of the extension of the centre and is amortised from the fund over the length of the lease.
- The Equipment Fund represents accumulated donations given towards fitting out the centre with appropriate equipment for use in the charitable functions of the organisation and which are likewise amortised.
- The Physiotherapy Fund represents accumulated donations given towards physiotherapy equipment used at the centre with appropriate equipment and which are likewise amortised.
- 'Other Funds' represent other restricted income which is fully expensed during the year.

## 8. STATUS OF CHARITY

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of a winding up is limited to £1. The charitable company does not use 'Limited ' as its name by virtue of S.30 of the Companies Act 1985.

## 9. CONNECTED CHARITY

Neuromuscular Centre is connected to the Joseph Patrick Memorial Trust of 7-11 Prescott Place, London SW4 6BS in that its sole trustee is the Muscular Dystrophy Group of Great Britain and Northern Ireland having similar objectives in relation to muscular dystrophy.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998 (continued)

## 10. RELATED PARTIES

In the Trustee's opinion, the charity's ultimate parent company and controlling party is the Muscular Dystrophy Group of Great Britain and Northern Ireland (a company limited by guarantee) registered in England and Wales.

Copies of the consolidated accounts are available from 7-11 Prescott Place, London SW4 6BS.

Accordingly, advantage has been taken of the exemption from disclosing transactions and balances with other group companies as permitted by Financial Reporting Standard No 8.