

NEUROMUSCULAR CENTRE

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2011



Registered Charity Number 1023606

Company Registration Number 2806607

Neuromuscular Centre

REPORT OF THE TRUSTEE

SOLE TRUSTEE

Muscular Dystrophy Group of Great Britain and Northern Ireland

MANAGEMENT COMMITTEE MEMBERS

Miss D Leather (Chair)
N Burgess
R Meadowcroft (Chief Executive, Muscular Dystrophy Campaign)
D Cundall (Centre User)
M Cundall (Centre User)
B Dale (Centre User)
S Clough (Centre User)
J W Edwards
A Farren
Mrs A Craig (Centre user)
S Vaja (Centre User)
Miss H Murrant (Centre User)
Dr R Quinlivan

SECRETARY

B Dale

SOLICITORS

Barrow & Cook
5/7 Victoria Square
St Helens
Merseyside WA10

AUDITORS

Crowe Clark Whitehill LLP
10 Salisbury Square
London EC4Y 8EH

BANKERS

Barclays Bank Plc
21 Dingle Walk
Winsford
Cheshire CW7 1AG

REGISTERED OFFICE

Neuromuscular Centre
Woodford Lane West
Winsford
Cheshire CW7 4EH

COMPANY NUMBER

2806607

REGISTERED CHARITY NUMBER

1023606

Neuromuscular Centre

REPORT OF THE TRUSTEE

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Neuromuscular Centre (NMC) is a registered charity, incorporated as a company limited by guarantee, controlled by a sole corporate trustee, the Muscular Dystrophy Group of Great Britain and Northern Ireland under the terms set out in its memorandum and articles of association. The charity registration number is 1023606 and the company registration number is 2806607.

The charity is a 100% subsidiary of the Muscular Dystrophy Group of Great Britain and Northern Ireland, informally known as the Muscular Dystrophy Campaign (MDC). It has a wholly owned trading subsidiary, NMC Trading Limited, trading as, and hereinafter referred to as, NMC Design+Print. The charity is connected to the Joseph Patrick Trust of 61 Southwark Street, London SE1 0HL in that they are controlled by the same sole corporate trustee.

While the ultimate authority for the charity rests with the Muscular Dystrophy Group of Great Britain and Northern Ireland, oversight of the day to day management has been vested in the Management Committee.

A register of risks is maintained and reviewed regularly by the Management Committee.

OBJECTIVES AND ACTIVITIES

Charitable objects

The objects of the NMC are to promote and provide opportunities for people with a neuromuscular condition to live fuller lives through training, employment and physiotherapy, together with advice and support for themselves and their families and carers.

Mission

The NMC's mission is to work together with people affected by muscle diseases, creating an environment where full potential and positive wellbeing are achieved, through employment, training, support and physiotherapy.

Aims and activities

The NMC's main aim is to provide a range of services for adults with muscle disease in the North West, West Midlands and North Wales regions.

- Physiotherapy assessments
- Physiotherapy treatments
- Hydrotherapy
- Active exercise programmes
- Advice and support
- Accredited Graphic Design Training courses – NCFE and BTEC
- Accredited IT Training courses – ITQ
- Employment opportunities in Graphic Design (in the Social Enterprise, NMC Design+Print), Administration and Fundraising
- Provide transport for Students and Employees to enable maximum independence and opportunity

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, 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 and related neuromuscular conditions, the charity offers help and advice to other organisations worldwide.

In addition, the charity has established a well-respected, graphic design business, NMC Design+Print, in which the variety of skills and talents of the individuals can be employed, developed and rewarded under both salaried and permitted work arrangements. This is detailed in a separate report. The NMC provides wheelchair-adapted transport for individuals attending the Centre.

Neuromuscular Centre

REPORT OF THE TRUSTEE

NMC strategies

- To make more potential users aware of the NMC and the services it offers and increase the numbers of people using NMC
- To make more potential supporters aware of the NMC and ways in which they could help and increase the numbers of Donors, Supporters and Volunteers
- To raise the profile of the NMC in the professional medical, educational, and equipment communities and to enhance links and partnership working
- To continually develop the Physiotherapy and Care Team to ensure the highest professional standards of service are offered

Volunteer help

- NMC has a strong group of volunteers working in
 - Fundraising - mainly supporting events
 - Physiotherapy – helping and supporting the Professional Physiotherapists
 - Management – Advice and guidance via the Fundraising Committee and Consultative and Advisory Group
 - Also we have volunteers helping with Gardening and odd-jobs/building maintenance

ACHIEVEMENTS AND PERFORMANCE

Against objectives

Objectives for 2010-11

- **Create a new Carer's Suite Area and new Accessible Kitchen for service users**
Achieved completely
- **Create a successful NMC Physiotherapy Social Enterprise**
Not progressed due to unclear guidance and direction from NHS as to what preferred structure is for "any willing and qualified provider"
- **Achieve full cost recovery for physiotherapy service**
With the uncertain commissioning climate created by the prospect of some kind of NHS reform we have not made further progress in the year
- **Support the development of new NMC's in the North East and West Midlands**
We continue to offer our guidance and support for the West Midlands NMC project. The Newcastle project is moth-balled currently due to the economic climate
- **Launch new user led Advocacy service**
Launched and now firmly embedded as part of the range of NMC services
- **Continue to develop the "New Options" programme offering support to move nearer to employment for at least 30 of our service users**
Achieved completely

Fundraising performance

- | | |
|-----------------------|-------|
| ▪ Trust income | £216k |
| ▪ Corporate income | £14k |
| ▪ Community donations | £107k |
| ▪ Events income | £149k |
| ▪ Statutory income | £180k |

FINANCIAL REVIEW

- A good financial performance based on a variety of sustainable income streams. Statutory income has reduced, and fundraising income has grown from 49% to 58% of our total income

Neuromuscular Centre

REPORT OF THE TRUSTEE

This increase has more than plugged the gap created by the substantial drops in income from statutory sources (and declining income from NMC Design+Print in the year)

- Clearly there are issues for NMC to reflect on regarding these shifts in funding emphasis. Some are inevitable consequences of recessionary times and other external structural changes. The key has been to celebrate our success in being nimble to seek out and convert new opportunities as they arise.
- This excellent fundraising performance has enabled our overall excellent financial performance.
- We hope and plan that Design+Print revenues (associated trading company) have now bottomed out and will rally strongly in the next 12 months as businesses and others journey back from the down-turn.
- The NMC has some assets in the form of the building it has on land leased from Cheshire West and Chester Council but no up to date valuation is available.
- NMC holds no other substantial asset beyond its minibuses, day to day office, physio and IT equipment.
- NMC has consistently maintained reserves at 1 month running costs throughout 2010-11. The target of 6 months has not been achieved.

PLANS FOR 2011-12

- NMC agreed with The Muscular Dystrophy Campaign that there should be new independent governance arrangements for NMC. This change is planned for 1st April 2012 and will mark a return to independent governance for NMC after 16 years of close legal and governance bonds with MDC. The two charities have enormous mutual respect and committed to a continued strong partnership for the good of all those affected by muscular dystrophy.
- Plans for new NMC's to serve other parts of the UK have developed further in 2010-11. The plan for a new NMC in Birmingham has evolved as the year has gone on. There have been some fundamental changes to the plan, in particular the originally earmarked building is no longer available. A dedicated group of supporters are forming a powerful and determined force and we wish them every success. We are proud and delighted to see such enthusiastic efforts to replicate the NMC model. NMC is offering expertise, advice and support for this new venture. It is not envisaged that they will be part of NMC's legal structure.
- The planned changes to PCT's will also continue to have an impact on our funding streams. At the moment there appears a clear "direction of travel" for NHS reform but there is little detail or final structure to enable an organisation like NMC to prepare for new funding arrangements. This uncertainty is potentially damaging for all charity sector providers of health, wellbeing and treatment services. NMC will respond and market itself to the best of its ability to ensure the new NHS structures are supportive of the activities, aims and outcomes of our work and the benefits to the public purse of investing in NMC's work.

Neuromuscular Centre

REPORT OF THE TRUSTEE

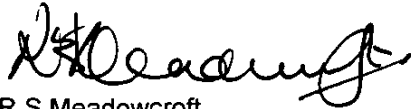
PROVISION OF INFORMATION TO AUDITORS

Each person who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

By order of the trustee



R S Meadowcroft
Secretary to the trustee

8 September 2011

Neuromuscular Centre

REPORT OF THE TRUSTEE

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate

The trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

Neuromuscular Centre

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE NEUROMUSCULAR CENTRE

We have audited the financial statements of Neuromuscular Centre for the year ended 31 March 2011 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes numbered 1 to 11

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable 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 auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 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 Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Neuromuscular Centre

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF THE NEUROMUSCULAR CENTRE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Michael Hicks

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

20 September 2011

Neuromuscular Centre

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total 2010-11 £	Total 2009-10 £
Incoming Resources					
Incoming Resources from Generated Funds					
Voluntary Income		314,333	22,709	337,042	273,820
Activities to Generate Funds		148,935	-	148,935	118,775
Investment Income		63	-	63	140
Incoming Resources from Charitable Activities		180,437	-	180,437	251,277
Total Incoming Resources		643,768	22,709	666,477	644,012
Resources Expended					
Costs of Generating Funds					
Voluntary Income		70,839	-	70,839	71,780
Activities to Generate Funds		59,681	-	59,681	53,941
Charitable Activities		469,709	46,752	516,461	476,054
Governance Costs		511	-	511	1,000
Total Resources Expended	2	600,740	46,752	647,492	602,775
Net Incoming/(Outgoing) Resources Before and after Other Recognised Gains/(Losses)					
		43,028	(24,043)	18,985	41,237
Transfer between funds		12,474	(12,474)	-	-
Net Movement in Funds		55,502	(36,517)	18,985	41,237
Funds brought forward at 1 April		10,457	37,267	47,724	6,487
Funds carried forward at 31 March	8	65,959	750	67,709	47,724

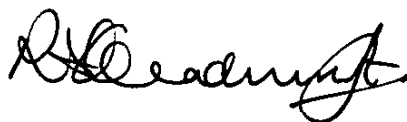
All income and expenditure derive from continuing operations

Neuromuscular Centre

BALANCE SHEET AT 31 MARCH 2011

	Note	2011 £	2010 £
Fixed Assets			
Tangible assets	4	132,405	83,211
Investment in subsidiary	5	9	9
		<u>132,414</u>	<u>83,220</u>
Current Assets			
Debtors	6	98,785	108,767
Cash at bank		48,810	40,021
		<u>147,595</u>	<u>148,788</u>
Creditors amounts falling due within one year	7	213,300	184,284
		<u>(65,705)</u>	<u>35,496</u>
Net current (liabilities)/assets			
		<u>(65,705)</u>	<u>35,496</u>
Net assets		<u>66,709</u>	<u>47,724</u>
Represented by			
Restricted funds		750	37,267
Unrestricted funds		65,959	10,457
		<u>66,709</u>	<u>47,724</u>
Total funds	8	<u>66,709</u>	<u>47,724</u>

On behalf of the trustee on 8 September 2011



R S Meadowcroft
Secretary to the trustee

Neuromuscular Centre

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial Statements are set out below.

CONSOLIDATION

The financial statements of Neuromuscular Centre and its subsidiary NMC Trading Limited are consolidated into the financial statements of the ultimate parent undertaking and so consolidated financial statements are not prepared for the Neuromuscular Centre intermediate group by virtue of the exemption granted by S 400 Companies Act 2006. Accordingly these financial statements present information about the company and not about its group.

INCOME

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

Grants for specific purposes are accounted for as restricted funds. Grants in respect of expenditure on fixed assets are treated as restricted income and transferred to unrestricted funds once the conditions of the gift are met.

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 expenditure, are shown as 'support costs'.

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 assets	Straight line over 4 years

FUND ACCOUNTING

Restricted funds are those given by the donor for a specific purpose.

TAX STATUS

The Neuromuscular Centre is a registered charity and as such it is exempt from corporation tax on its income and gains to the extent that they are applied to its charitable objectives.

GOING CONCERN

After making enquiries, the trustees have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 7.

Neuromuscular Centre

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

2. TOTAL RESOURCES EXPENDED

	Grant	Costs	Total 2010-11	Total 2009-10
	£	£	£	£
Cost of Generating Funds				
Voluntary Income	-	70,839	70,839	71,780
Activities to Generate Funds	-	59,681	59,681	53,941
	-	<u>130,520</u>	<u>130,520</u>	<u>125,721</u>
Charitable Activities				
Supporting Employment	120,000	142,897	262,897	232,131
Training	-	57,988	57,988	61,184
Physiotherapy	-	159,521	159,521	147,052
Advocacy and Care Support	-	36,055	36,055	35,687
	<u>120,000</u>	<u>396,461</u>	<u>516,461</u>	<u>476,054</u>
Governance Costs	-	511	511	1,000
Total Resources Expended	<u>120,000</u>	<u>527,492</u>	<u>647,492</u>	<u>602,775</u>

During the year grants totalling £120,000 were paid to NMC Trading Limited in furtherance of the charitable objectives of the Neuromuscular Centre

Support costs are allocated across the activities on the basis of expenditure incurred for each of the activities

3. Employee information

	2010-11 £	2009-10 £
Staff Remuneration		
Wages and Salaries	300,678	297,791
Social Security Costs	22,361	24,963
Pension Costs	15,909	11,928
	<u>338,948</u>	<u>334,682</u>

The average number of employees during the year was 17 (2009-10 17), of which 3 (2009-10 3) were involved in fundraising, 13 in direct charitable activities (2009-10 13) and 1 (2009-10 1) in administration

No employee earned more than £60,000 per annum No remuneration or expenses were paid to the trustee

NMC offers defined contribution pension arrangements to an employees' portable scheme Contributions are charged in the financial statements as incurred and there were no outstanding contributions at the balance sheet date

Neuromuscular Centre

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

4. TANGIBLE ASSETS

	Leasehold Land and Buildings £	Other Equipment and vehicles £	Total £
Cost			
At 1 April 2010	273,682	178,668	452,350
Additions	50,262	39,819	90,081
At 31 March 2011	<u>323,944</u>	<u>218,487</u>	<u>542,431</u>
Depreciation			
At 1 April 2010	239,296	129,843	369,139
Charge for year	8,357	32,530	40,887
At 31 March 2011	<u>247,653</u>	<u>162,373</u>	<u>410,026</u>
Net book value			
At 31 March 2011	<u>76,291</u>	<u>56,114</u>	<u>132,405</u>
At 31 March 2010	<u>34,386</u>	<u>48,825</u>	<u>83,211</u>

All tangible assets are used in functions of the charity and are shown at written down cost. All material assets are used for direct charitable activities. The Leasehold Land & Buildings is subject to a lease that will expire on 3rd April 2011. Negotiations are in place to ensure ongoing operation of the Neuromuscular Centre.

5. INVESTMENT IN SUBSIDIARY

	2010-11 £	2009-10 £
Cost	<u>9</u>	<u>9</u>

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

The subsidiary is a wholly owned trading subsidiary and its details are as follows:

Company	Country of Registration	Shares Held	
		Class Ordinary	%
NMC Trading Limited	England and Wales		100

Neuromuscular Centre

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

5. INVESTMENT IN SUBSIDIARY-CONTINUED

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

	2011		2010	
	Capital & Reserves	Profit for Year	Capital & Reserves	Profit for Year
	£	£	£	£
NMT Trading Limited	12,969	154	12,815	(443)

6. DEBTORS

	2010-11	2009-10
	£	£
Amounts owed by subsidiary undertaking	31,874	-
Prepayments	6,447	-
Other Debtors	60,464	108,767
	<u>98,785</u>	<u>108,767</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Trade Creditors	7,894	7,378
Amount owed to parent undertaking	175,398	171,912
Accruals and deferred income	30,008	4,994
	<u>213,300</u>	<u>184,284</u>

Amounts owed to parent undertaking are unsecured and do not bear interest

Neuromuscular Centre

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

8. FUNDS

	Balance 1 Apr 2010 £	Movement in Resources			Balance at 31 Mar 2011 £
		Incoming £	Outgoing £	Transfers £	
Restricted Funds					
Equipment	1,778	11,446	-	(12,474)	750
Other funds	35,489	11,263	(46,752)	-	-
	37,267	22,709	(46,752)	(12,474)	750
Unrestricted Funds					
General Funds	10,457	643,768	(600,740)	12,474	65,959
Total Funds	47,724	666,477	(647,492)	-	66,709

Represented by:

	Fixed Assets £	Investment in subsidiary £	Net Current Assets/ (Liabilities) £	Total £
Restricted Funds				
Equipment Fund	-	-	750	750
Total	-	-	750	750
Unrestricted Funds				
General Funds	132,405	9	(66,455)	65,959
Total Funds	132,405	9	(65,705)	66,709

- The Equipment Fund is in respect of donations given towards equipment
- 'Other Funds' represent other restricted income donated for advocacy, care, physiotherapy and training

9. 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" in its name by virtue of S 30 of the Companies Act 1985.

10. CONNECTED CHARITY

The Neuromuscular Centre is connected to the Joseph Patrick Trust of 61 Southwark Street, London SE1 0HL in that its sole trustee is the Muscular Dystrophy Group of Great Britain and Northern Ireland and has similar objectives in relation to muscular dystrophy.



Neuromuscular Centre

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

11. RELATED PARTIES AND ULTIMATE PARENT UNDERTAKING

In the trustee's opinion, the charity's ultimate parent undertaking and controlling party is the Muscular Dystrophy Group of Great Britain and Northern Ireland a registered charity and a company limited by guarantee registered in England and Wales which is the largest and the smallest group for which consolidated accounts are published

Copies of the consolidated financial statements of the ultimate parent undertaking are available from 61 Southwark Street, London SE1 0HL

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