



Treasurer's Report - AGM 28th July 2020

I am pleased to present the accounts for the MS Therapy centre for the first time following Frank Sudlow's retirement as Treasurer in 2019. Before I walk through the accounts I would like to take the opportunity to briefly introduce myself. I have previously enjoyed a 25 year career in Banking, having spent a much of this time in Treasury and Finance roles. I am delighted to be able to support the centre in the important and invaluable work they do for people with MS, something particularly relevant to my family as my wife has MS.

The accounts have been prepared and audited by Collett Hulance in accordance with the relevant Charity Commission requirements and Company Law.

As a brief reminder, the centre was established in 1983 and has a mission to be a centre of excellence providing professional specialist therapies and support for people with MS in a self-help environment that inspires and empowers. All of the centre's activities are measured against this mission.

I would now like to provide some points in respect of the finances of the centre.

In the accounts we make clear that whilst our therapies are provided free of charge to individuals accessing the Therapy Centre, we ask you to pay what you can and in return we aim to provide what you, our members, need. We are a self-help charity, so we request donations to running costs from all members and raise further funds from charitable trusts, companies, local groups and other individuals.

In 2019 we continued to directly employ 17 staff (both full and part time), with a further 9 therapists providing expertise in various specialisms. In addition, 55 volunteers provided their time in supporting the centre, delivering valuable activities, whether through work in our charity shops and other fundraising ventures and also in the delivery of Oxygen Therapy, supporting the Physiotherapists in the Gym and carrying out a range of caring and administrative tasks.

The Independent Auditors' report has found our accounts to be in good order. Collett Hulance know us well and have undertaken appropriate due diligence and checks on everything the centre has done over the year. I am pleased to note that our Auditors have given us a clean bill of health, confirming that there are no matters on which they are required to report by exception, finding our accounts to have been properly prepared and give a true and fair view of the state of the our affairs to date. Full copies of the audited accounts have been circulated or are available on request.

Moving on to the centre's balance sheet on page 17 of the accounts, this shows the Statement of financial activities with a breakdown of restricted and unrestricted funds The

Statement of Financial position details the Centre's net assets for 2019, which increased from £633,978 at the end of 2018 to £706,837 at the end of 2019.

Whilst the net income/expenditure shown on page 16 shows a surplus for the year of £72,859, two material items where the applicable accounting practices do not reflect the actual cash movement in the MS Therapy Centre's bank accounts are worth noting.

Firstly, the purchase of our new minibus and other items of equipment (therapy couches and CCTV system) are recorded as fixed assets, with no expenditure shown on the statement of financial activities. These items account for £49,221 of true expenditure, not reflected in costs for 2019.

Secondly, an unrealised gain on investments of £23,023 at the end of 2019 is shown as income, compared with an unrealised loss in the previous year of £15,109. This is not cash into the MS Therapy Centre, rather the result of a revaluation of financial investments not held in the form of cash or bank deposits. The MS Therapy Centre's annual surplus/deficit will be subject to the volatility of the value of these investments where, at the time of writing, this unrealised gain has been reversed in 2020 due to market concerns over the impact on economies of the COVID-19 crisis.

Taking these two items into account, whilst the accounts show the surplus of £72,859 for 2019, the actual change in cash during the year was still positive, but was actually an increase of £31,526.

Our aim is to hold sufficient current assets to cover one year's expenditure, as has been our policy for some time, and we have maintained this. At the end of 2019, we held sufficient Current Assets to cover annual expenditure (£399,703 based on 2019's total expenditure), with other assets held in the form of buildings, equipment and investments. However, £105,745 of our funds are restricted to particular projects, mainly new equipment.

This prudent policy of maintaining reserves has been particularly relevant during the recent Covid-19 crisis, where current assets (bank deposits) have been utilised, to a limited extent, to support the centre's costs and ensure the centre will be available to members when the crisis abates.

Income

The income and expenditure account, shown on page 16, shows our income increased to £449,539 in 2019, an increase of £12,472, mainly due to an increase in donations related to restricted funds, with unrestricted funds donations and gifts falling by around £3,300 versus 2018.

Member donations represents the centre's most consistent and reliable source of funding and I wanted to take the opportunity to thank members for continuing to make their very kind donations during the recent Covid-19 pandemic, with only small reductions in donations evident in the last couple of months. Now, more than ever, the centre is dependent on these donations to support the centre's ongoing existence during this uncertain time.

Shop sales were up around £600 versus 2018's sales and the centre's fundraisers had a fantastic year, increasing their contribution to the centre's income by almost £8,000, with events raising £79,147 in 2019. Both of these sources of funding will be down significantly during 2020 with the restrictions imposed by the Covid-19 pandemic, hence my earlier comment in respect of the importance of member donations to support the centre during this unique situation.

Expenditure

For 2019, around 90% of total expenditure related to the therapies provided by the centre, reflecting the appropriate focus and application of funding in delivering against the primary objective of seeking to improve the condition of people living with Multiple Sclerosis.

Whilst staff costs are our largest single line of expense, the fabulous staff we continue to benefit from are absolutely key in the delivery of the centre's therapies and these costs have increased broadly in line with inflation, as reflected in the figures.

We have continued to focus on limiting expenditure where possible, however, the significant reduction in expenditure in 2019, compared with 2018, is primarily driven by the reduction in repairs and maintenance costs, where 2018 included a significant hydro-pool refurbishment cost. As previously indicated, the costs of replacing the mini-bus and other items of equipment are excluded, due to the accounting treatment of the acquisition of a fixed asset.

Our team of volunteers and paid staff continue to focus on delivery of value for the centre and apply prudence on expenditure, whilst effectively delivering key fund-raising for the centre. We remain very grateful for all their efforts and contribution to the centre's ongoing success.

2020

I have made reference during this presentation to the Covid-19 pandemic that will clearly dominate 2020, it is worth reiterating the significance of this crisis to the centre's finances. Aside from the negative impact on the investment valuation mentioned earlier, the restrictions on fundraising activity will likely require the centre to call upon our reserves of cash during 2020, funds set aside to support the finances through events of this nature.

Whilst funding applications have been submitted to various schemes intended to support charities during these exceptional times, we hugely appreciate and welcome the support of ongoing donations during this challenging time.