

MS Society



Annual Report and Accounts

2016



▶ **Let's stop MS together**

Chair's statement

It's an honour to have taken on the role of Chair of the MS Society. Our vision is a world free from the effects of MS. I'm excited to take us closer to making that vision a reality, as we fund ground-breaking research, provide the best possible services and support, and campaign for change to help everyone with MS live the life they choose.

In 2016, we made some important steps towards achieving our strategic goals. Our income rose 4.6%, and our spending increased 5.8%. We invested £5.7 million in research, of which £2.5 million went to projects looking for new effective treatments for MS – our number one goal. We also achieved some important campaign successes, including influencing a government U-turn on changes to Personal Independence Payments that could have seen people with MS lose out on up to £150 a week.

Despite these successes, our community still faces significant challenges. The health and care system faces unprecedented financial pressures and a capacity crisis, and access to disease modifying therapies still varies across the UK.

With your support, we will continue our work to ensure that everyone with MS can access the right treatment at the right time and is supported by a fair welfare

system that helps those who want to stay in work as well as those who aren't able to. We will also campaign for better social care, and for an environment that supports the families, friends and carers of people with MS too.

We know we are stronger when we work together. I'd like to thank everyone who supported the MS community in 2016, from researchers to health care professionals, and of course our own fundraisers and campaigners. I'd like to say a special thanks to our wonderful volunteers. Volunteers contribute in so many ways – including answering enquiries received by our MS Helpline, providing friendship and support across the country and campaigning on the issues that are important to people living with MS. We would not achieve all of the things we do without them.

I'd also like to thank Hilary Sears, my predecessor as Chair, who left us in such a strong position. Hilary, the Board of Trustees, the leadership team and all the staff at the MS Society make an important contribution that is truly valued.

Together, every year, we move closer to the day when we will stop MS.

Nick Winser, Chair

Our vision

A world free from the effects of MS.

Over 100,000 of us in the UK have MS. It's unpredictable and different for everyone. It's often painful, exhausting and can cause problems with how we walk, move, see, think and feel. But it doesn't have to be this way.

We're the MS Society.

Whether you have MS, or care about someone who does, our community is here for you through the highs, lows and everything in between. We understand what life's like with MS. We're funding ground-breaking research, providing friendship and support, and campaigning for change to transform life for everyone with MS.

Together, we are strong enough to stop MS.

Our goals

To make our vision a reality, we're working to achieve seven goals, ordered according to the priorities of people living with MS. These goals form the heart of our strategy from 2015 to 2019.

- 1. Effective treatments:** people with MS will have access to treatments for their condition, including treatments that can slow, stop or reverse the accumulation of disability.
- 2. Responsive care and support:** people with MS, including those being diagnosed, will have access to support that is responsive to their needs, and recognises them as equal partners in their care.
- 3. Preventing MS:** progress in research means that fewer people will develop MS.
- 4. Quality information:** people affected by MS will have access to high-quality information that meets their needs.
- 5. A strong community, independent lives:** people affected by MS will be able to live their lives, strengthened by a community that ensures no one has to face MS alone.
- 6. Supporting families and carers:** the families and carers of people with MS will have access to the support they need.
- 7. Greater certainty about the future:** people with MS will have greater certainty about how their condition will progress.

Progress towards achieving our goals and our impact in 2016

1. Effective treatments

People with MS have told us that access to effective treatments is their number one priority – so it's ours too. Effective treatments can help people take better control of their MS and live the life they want.

Helping more people access treatments

Thanks in part to our award winning Treat Me Right campaign, more people than ever before are using a disease modifying therapy (DMT) to treat their relapsing MS. According to our My MS My Needs survey, in 2016, 56% of people who could benefit from a DMT were taking one, up from 40% in 2013. This increase is hugely important because, for people with relapsing MS, treatment with a DMT can prevent relapses and delay the worsening of disability.

Through Treat Me Right, we have influenced treatment approval processes to make more DMTs routinely available on the NHS across the UK. We've also helped the Association of British Neurologists revise its prescribing guidelines, and produced a consensus paper on the importance of early treatment in delaying the worsening of disability in people with relapsing MS.

mssociety.org.uk/treatmeright

Researching new treatments for all forms of MS

There's a range of DMTs for relapsing MS, but treatment options for progressive MS are limited. We know that isn't good enough. So we're spending more on research to find treatments that can stop MS.

With your support, in 2016 we:

- awarded grants to six new research projects
- committed to support the Cambridge Centre for Myelin Repair over the next four years
- continued our commitment to funding ground-breaking research at the Edinburgh Centre for MS Research, for the UK MS Register, Tissue Bank and the MRI scanner at UCL Institute of Neurology
- supported three multi-million projects aiming to speed up the development of treatments for progressive MS as part of the International Progressive MS Alliance

mssociety.org.uk/research

2. Responsive care and support

People with MS tell us they want personalised support, and to feel that they are at the centre of all decisions about their care. We work together with other charities, organisations, professionals, service providers and government departments to seek changes in policy and practice across the UK to make this a reality. And we work to ensure that our own services are providing the best support possible.

Being here when you need us most

In its 25th year, our MS Helpline handled 17,437 enquiries, a substantial increase on the 14,839 we responded to in 2015, providing information and emotional support to people living with MS when they needed it most.

Over 1,600 people accessed our individual support grants, which help people with MS pay for things that will have a positive impact on their lives, such as scooters, wheelchairs, specially adapted beds, respite stays and communications equipment.

mssociety.org.uk/support

Understanding what you need

10,888 people responded to our My MS My Needs 2 survey, helping us to identify the health, social and welfare needs of people with MS, and provide robust information on how well these needs are being met throughout the UK. We launched the results of the health and care aspects in August 2016, as part of our Treat Me Right campaign, and engaged local service providers to discuss the results.

mssociety.org.uk/accesslottery

Transforming MS care where you live

Our local staff work with people living with MS to campaign for change and improve services in their local areas. Some of our local successes in 2016 were:

- Securing three-year funding for an information, advice and advocacy service in Wales, which we hope will support over 1,300 people to improve their wellbeing.
- Securing an agreement with Rotherham Council to develop a pilot exercise referral programme for people with MS to help improve their health and wellbeing. Once developed, Rotherham Council will try to secure funding to continue the programme.
- Influencing funding for an extra MS nurse in north east Essex to work alongside the existing MS nurse to support people with MS.
- Securing funding for a mindfulness project in Scotland, aiming to help people with MS improve their emotional wellbeing.
- Running three six-week self-management courses in Scotland.
- Improving access to MS services in Northern Ireland by working with health and social care professionals to develop an MS specification that outlines how MS services should be delivered, and influencing funding for two new MS nurse posts.

Creating connections at MS Life

Over the weekend of 17-18 September, over 1,900 people attended our lifestyle exhibition and conference, MS Life, in London. It's the biggest gathering for people living with MS in Europe. For those who couldn't make it to London, we live-streamed our research talks and kept our community up-to-date on all the latest goings on through Twitter and Facebook. We created and published 11 videos during MS Life, generating over 27,000 views so far.

Watch highlights from MS Life at <http://bit.ly/2ohF4b6>

Researching even more effective services

In 2016, we awarded a grant for a research project looking at the most important factors for improving the quality of life of people with MS. Understanding the things that most help someone live well with MS could help us design even more effective services.

mssociety.org.uk/research

3. Preventing MS

We're supporting research to understand the factors that cause MS – and how we can prevent it.

Researching ways to make our vision a reality

We continued to support ongoing research projects into prevention and, in October 2016, awarded two new grants to understand and prevent nerve damage in MS.

In late 2015, we hosted a conference on preventing MS which developed four recommendations for the future direction of MS prevention research. In 2016 we took these recommendations forward:

- We reviewed the available evidence on smoking and lifestyle factors and began considering how to incorporate revised messaging in our information resources for close relatives of people with MS.
- We held discussions with international MS societies to explore the appetite for setting up a group looking at developing prevention trials in MS. However, from these discussions it was felt that our scientific understanding of the cause of MS has not progressed to a stage to begin looking into prevention trials yet.
- We began building relationships with key researchers involved in Epstein-Barr Virus vaccine trials globally, so that we are in a position to feed into the development of future trials.
- We opened our annual grant round with a highlight notice to encourage research applications into prevention and modifiable risk factors. We will announce the successful projects in September 2017.

mssociety.org.uk/research

4. Quality information

Quality information empowers people to make decisions about their care. That's why we make sure our information is easy to digest, up-to-date and available to our community in a range of formats – whether that's via our booklets, our website, our social media channels, or our information events.

Spreading the word with information days and awareness talks

In 2016, over 800 people attended our 12 Living with MS information days and research and benefits talks across UK.

mssociety.org.uk/information-days

Providing information to put you at the centre of decisions about your care

In 2016, our information resources were downloaded over 68,000 times and we sent over 93,000 copies to people who requested them. We produced two new resources, including our first for the family and friends of people with MS. We also produced new online-only factsheets for each of the disease-modifying therapies, giving in-depth information to help people with relapsing MS make informed decisions about treatment.

We maintained our accreditation to the NHS Information Standard, so our community can be sure our information resources are clear, accurate, evidence-based, up-to-date and easy to use.

Unfortunately, we didn't manage to complete the development of our new, interactive online resources to support people affected by MS, but work is well underway and we expect to launch the first one in 2017.

mssociety.org.uk/ms-resources

Growing our online communities

Our social media communities grew in 2016. We had almost 55,000 likes on Facebook and over 41,000 followers on Twitter, creating an even bigger space in which our community can share stories and support each other, as well as find out about our work and the latest MS news.

Our website, mssociety.org.uk, had about 2.4 million unique visitors in 2016 – around 500,000 more than in the previous year. Our website is a space where our community can find reliable information on a huge range of topics, from symptoms to financial support, as well as the latest MS news.

We had hoped to launch a new website in 2016, but we faced internal challenges and felt it was important to better understand the needs of our community. So we've delayed the launch of the new website until 2017 to allow us time to do this.

5. A strong community, independent lives

Sometimes, MS can be isolating. That's why we want to make sure our community supports everyone who has MS – no matter what stage their condition is at – and their friends, families and carers too.

Challenging the government to create a welfare system that supports everyone who needs it

In March 2016, we led a group of charities in successfully campaigning to stop the government's proposed changes to Personal Independence Payments (PIP). We couldn't have achieved this result without our community – over 23,000 of them signed our petition, and more than 3,000 of them emailed their MPs.

In October, the government announced that people with severe, life-long conditions would no-longer have to face reassessments to receive Employment and Support Allowance. We had called for this change as part of our MS: Enough campaign.

In November, we launched the next stage of MS: Enough, which aims to ensure people with MS get the support they need to stay in work. We asked our community to email their MPs to pledge to support employment that works for people with MS. By the end of the year, 83 MPs had taken the pledge.

mssociety.org.uk/msenough

Putting MS on the agenda as Wales, Scotland and Northern Ireland went to the polls

In May, we campaigned to put MS on the agenda as people in Wales, Scotland and Northern Ireland went to the polls to elect members of their devolved parliaments and assemblies.

In Northern Ireland, 65% of people wait longer than 18 weeks for their first appointment with a neurologist. Our #EndtheWait campaign mobilised the MS community to take action. We held a high profile launch event at Stormont and hustings in Belfast and

Derry. 81 candidates, across all the main political parties, pledged their support and 31 were elected as Members of the Legislative Assembly (MLAs). Some of the new MLAs have joined the All Party Assembly Group on MS.

Ahead of the Scottish Parliament election, we called on candidates to improve care, support and welfare for people living with MS, and pledge to 'get loud for MS' if elected. 165 candidates pledged their support and 75 were elected, meaning that more than half of the whole parliament has pledged to support people living with MS – including the leaders of the five major parties.

In Wales, we called on candidates for the National Assembly elections to be a 'voice for change' for MS if elected, and to tackle issues such as the low prescribing rates for disease modifying therapies in Wales. 46 of the 60 newly elected Assembly Members supported our manifesto for change. The First Minister of Wales has now highlighted MS as a condition which would benefit from the New Treatment Fund in Wales, which aims to speed up access to new medicines.

Helping you Live It Well

In the autumn, our Live It Well campaign engaged over 5,000 people with useful information and tips for living well with MS. The campaign used online advertising to raise awareness of MS and help us reach even more of the people who might need us.

Strengthening our local groups

Our 270 volunteer-led local groups are a source of friendship, information and support for around 13,000 people living with MS.

In 2016, we began working with our volunteers to further increase the impact, quality and reach of our local services, mobilise our community, raise even more money locally and attract more volunteers.

With your support, we'll continue to strengthen and grow our local groups. And we'll introduce innovative services that will make a big difference to the lives of people living with MS.

6. Supporting families and carers

The impact of MS goes far beyond those who have MS – their families and carers also live with the uncertainty of the condition. We are working to ensure services recognise the impact MS can have on everyone whose lives are touched by it, and that families and carers can access support and information when and where they need it.

Building carer-friendly communities with Carers Week

We're one of Carers Week's seven supporter charities. Carers Week is an annual campaign that aims to raise awareness of caring, highlight the challenges carers face and recognise the contribution they make to families and communities throughout the UK.

The theme for Carers Week 2016, which took place from 6-12 June, was Building Carer Friendly Communities.

During Carers Week 2016, we attended a parliamentary reception where carers of people with MS were able to speak to MPs about their experiences and what can be done to make communities more carer friendly. We also discussed the needs of carers with Alistair Burt, Minister of State for Community and Social Care, as the government prepared to develop a new Carers Strategy. We produced blogs and social media content to raise awareness and celebrate the role of carers and shared content from Carers UK, which was specifically designed for Carers Week.

7. Greater certainty about the future

MS progresses at different rates in different people. So, when someone is diagnosed, no one can tell them for sure what the future holds – how many relapses they will have, how severe they will be, or how quickly disability will accumulate.

Supporting research to understand the course of MS

In 2016, we awarded grants to two new research projects that could help give people with MS more clarity on how their MS will progress.

One of the research projects is aiming to develop a blood test that can tell the difference between relapsing and progressive forms of MS. This could be used to monitor progression of the condition over time. If successful, the test will improve diagnosis time and show more quickly if a disease modifying therapy is working or not.

The other project is looking at a specific protein in the cerebrospinal fluid surrounding the brain and spinal cord. This project aims to test whether the protein can be taken as a marker of damage to nerves. If it can, measuring the levels of protein will help predict how likely symptoms are to progress and how quickly.

mssociety.org.uk/research

Our people

We want every one of the over 100,000 people with MS in the UK to feel part of our community, along with their families and friends and all those who care about MS. We have around 32,000 members, 5,500 volunteers and 300 employees, who have a special role to play in shaping our work and helping make our goals a reality. We'd like to thank all of them for their contributions in 2016.

Our volunteers

Volunteers are the cornerstone of the MS Society – they make significant contributions to our activities, including acting as Trustees and council members, fundraising, providing us with expert professional advice, operating our MS Helpline, blogging on our website, working to support and care for individuals affected by MS, delivering services through our local groups. Volunteers contribute around 700,000 hours a year – we simply would not be able to achieve all of the things we do without them.

We provide local support to people affected by MS through our network of around 270 local groups. In 2016, we launched our Local Networks Programme to reinvigorate and strengthen our local groups. It aims to:

- increase the impact, quality and reach of our local services
- mobilise our community
- raise more money locally
- attract more volunteers and improve volunteer experience

We send our heartfelt thanks to everyone who gave their time freely to build a stronger MS community in 2016. You are MS heroes.

mssociety.org.uk/volunteering

Our campaigners

Our campaigns community enables us to speak with the voice of thousands of people affected by MS, calling on decision makers to make meaningful changes to improve life for people living with MS.

Our campaigners tackle both local and national issues, from fighting to keep MS nurses or get treatment clinics in their area, to calling on their MPs to improve the welfare system.

When it comes to campaigning, we know every voice counts and we want to thank all those who call for change.

mssociety.org.uk/campaigns

Our MS Society Ambassadors

MS Society Ambassadors are volunteers who've pledged to work closely with us and use their public profiles to raise awareness of MS and our work in the media, helping us reach a wider audience.

In 2016, we welcomed gold medal winning Paralympians Kadeena Cox and Stephanie Millward, along with brothers Hugo and Felix White of rock band the Maccabees, as new Ambassadors.

mssociety.org.uk/ambassadors

Our staff

Our staff are committed to bringing about positive change for people living with MS.

Our staff have a voice and the opportunity to influence what they do and how they do it. We provide career and development opportunities aimed at helping people to perform well and move towards future volunteering or staff roles. We aspire to provide rewarding roles that encourage people to commit their time and effort, knowing their impact will be recognised.

We believe that our organisation should reflect society and the communities we serve, visibly having equality, diversity and inclusion at its heart. We actively seek to increase the levels of people working and volunteering with us from under-represented groups.

Our supporters and our commitment to them

Our supporters make a huge difference to the lives of all those affected by MS. We believe supporting the MS Society should be a positive and rewarding experience, and our approach to fundraising is summarised in our Supporter Promise which sets out our aim to:

- Listen and respect supporters wishes.
- Be honest and transparent about where donors' money goes.
- Respect any personal information supporters share with us.
- Be accountable and committed to the highest standards.
- Listen and learn.

To help us be confident about delivering our promise and to maintain high standards in our fundraising activities, we are organisational members of the Institute of Fundraising and the Fundraising Regulator.

Given the complexity of our fundraising programme, on occasion, we will make use of commercial organisations to provide a particular service but this is only when it would be difficult or expensive for us to undertake this activity ourselves. For example, in 2016 we used commercial organisations to:

- Visit potential donors in their workplace to ask if they would consider giving a gift to us, alongside a number of other charities, through their payroll.
- Process the cheques and credit card donations sent to us by individuals, including banking the donation and sending a thank you letter.
- Run our raffles programme, including speaking to donors who require additional tickets.
- Telephone our supporters to ask if they would like to give a further gift.
- Deliver our overseas challenge events.

To ensure effective oversight of the organisations which are undertaking these activities on our behalf, we have:

- Contracts in place with all our suppliers stipulating the terms under which they are responsible for looking after our donors, including evidence of their own vulnerable person policy, with a contract review schedule in place.
- A training programme for all suppliers that fundraise on our behalf to ensure they are aware of our standards for donor care.
- A 'mystery shopping' programme to ensure that suppliers are independently reviewed and that our in-house Supporter Care Team is handling donor interaction appropriately.
- Safeguarding training for our in-house Supporter Care Team.
- A Fundraising Compliance Working Group that regularly monitors adherence to required fundraising standards.
- A process for reporting fundraising activities to the Board of Trustees.

Although we strive for the highest standards in our fundraising practice, there are occasions when we do not meet the standards our supporters expect. In 2016 we received 155 complaints about our fundraising activities which is a 3% increase on the previous year. Given the size and complexity of the MS Society's fundraising operations, this level of complaints is considered to be reasonable.

Finance Review

Income

Legacies

In 2016 we received over £11.2 million from generous supporters who left us gifts in their wills, which was £1.9 million higher than 2015. This was due mainly to the receipt of a particularly large legacy. We are very grateful to everyone who remembered us in their will.

Donations

Once again 2016 saw individuals, groups of friends and organisations undertake a vast range of different activities to raise funds for our vital work. However, donated income fell from £15.1 million in 2015 to £14.1 million in 2016.

One driver for this decline was that our direct mail appeals and to a lesser extent our payroll giving programme did not match prior year levels, and cumulatively our income from these sources reduced by £300,000.

We are fortunate to have an energetic network of voluntary groups which contributes significantly to the donated income received. Donations received by our groups in 2016 were £2.1 million, representing a £600,000 decline on the £2.7 million figure raised in 2015. Overall income raised by our voluntary groups was £4.7 million in 2016 (£5.3 million in 2015).

Trading activities

Our trading activities include our increasingly popular Spring, Summer and Christmas raffles, our online shop and special events. In 2016, these events included a Christmas Carol concert at St Paul's cathedral, featuring pieces by the acclaimed writer Abi Morgan and performances from high profile actors such as Ben Whishaw. The concert was broadcast on Classic FM and proved to be hugely popular. This was a key reason why our income from trading increased to £2.5 million, a £900,000 increase on 2015.

Expenditure – changes from 2015

Our overall amount spent in 2016 on our strategic goals was £1.1 million higher (5.3%) than 2015. There was additional spend on research grant commitments of £471,000 and our MS Life event (£416,000).

Goal 1 – Effective treatments (2016: £3.9m, 2015: £3.7m)

Our spend on effective treatments rose 4.7% to £3.9 million, with increases in spend around research and campaigning.

In 2016, we awarded grants totalling over £950,000 to six new research projects that could lead to new treatments for MS. In total we spent £2.5 million on research in this area.

Goal 2 – Responsive care and support (2016: £5.0m, 2015: £4.3m)

Our spend on responsive care and support rose £688,000 (16%) to £5.0 million. We spent £254,000 extra on research projects, £139,000 on MS Life, £84,000 on implementing quality frameworks, £71,000 on testing and implementing innovative services, and £70,000 on influencing networks.

We awarded a grant of over £276,000 for a research project that is looking at the most important factors for improving the quality of life of people with MS.

Goal 3 – Preventing MS (2016: £1.0m, 2015: £1.3m)

Most of our work in preventing MS is done through research. Commitments made in this area in 2016 fell by £225,000 although we did award two grants totalling over £400,000 on research projects to help us understand the causes of MS.

In total the cost of 19 research grants relating to preventing MS were included in the 2016 accounts.

Goal 4 – Quality information (2016: £4.2m, 2015: £4.1m)

Expenditure on quality information was similar to 2015.

Goal 5 – A strong community, independent lives (2016: £5.7m, 2015: £5.7m)

Expenditure on a strong community, independent lives was similar to 2015.

Goal 6 – Supporting families and carers (2016:£1.6m, 2015: £1.6m)

Expenditure on supporting families and carers was similar to 2015.

Goal 7 – Greater certainty about the future (2016: £0.7m, 2015: £0.3m)

We committed additional research grants totalling £423,000 (£251,000 higher than 2015) in relation to greater certainty over the future for those with MS. Also adding to costs in this area was a proportion of MS Life costs totalling £139,000. Overall total costs for this goal were £726,000 compared with £270,000 in 2015.

In 2016, we awarded grants totalling over £370,000 to two research projects that could ultimately give people with MS more clarity on how their MS will progress.

Support costs fell £305,000 with HR costs £327,000 lower as a result of the change programme conducted in 2014 and 2015. Facilities costs were £211,000 lower due to lower postage costs and higher reactive maintenance costs in 2015. IT costs were £261,000 higher, with an investment in renewing IT equipment and ensuring that our IT infrastructure is robust and secure.

Our reserves

Primarily reserves are held to enable the continuity of services and activities that we undertake.

Reserves are held for the following reasons:

- to handle a sudden reduction in income
- to handle fluctuations in the market value of the investment portfolio
- to cover for other key risks crystalizing resulting in unplanned expenditure
- to take advantage of unexpected opportunities

In considering the level of reserves that should be held, we test the policy level against various scenarios to ensure an adequate level of reserves are held.

Given the activities we engage in, reserves do not need to be held to maintain working capital.

We have two designated funds:

- (1) A fund which represents the net book value of unrestricted intangible and tangible assets.
- (2) A designated fund for research. This fund was created to build reserves to enable the commitment of expenditure towards the clinical trials network.

We aim to maintain reserves within a policy range of a lower limit of 10 weeks of planned expenditure and an upper limit which is calculated as follows:

- 14 weeks 'planned expenditure' plus
- the balance of the designated fund for research after any negative restricted research balances (after taking into account any unutilised general restricted research funds).

At the end of 2016, we held negative restricted research fund balances totalling £3.4 million in the expectation that specific funds will be received for these projects. We also held £2.1 million in general restricted research funds or where the restriction was for a broad area of research, which could be used to offset the £3.4 million negative balances. Given how much we raise each year in restricted research donations (£5.5 million in 2016) it is highly likely the deficit in fund balances will be made up from donations received in 2017. However, if this didn't happen, we also have a designated fund that could be used to make up the deficit.

Reserves position as at 31 December 2016: reserves held were £7.9 million, equating to 14.75 weeks reserves and within our policy level.

Going concern

We have set out above a review of financial performance and our reserves position. We have adequate financial resources and are well placed to manage the business risks. Our planning process, including financial projections, has taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. Although we have net current liabilities, the investment portfolio could easily be drawn down should working capital be required.

We believe that there are no material uncertainties that call into doubt the charity's ability to continue. The accounts have therefore been prepared on the basis that the charity is a going concern.

Investment policy

Rathbone Investment Management Limited became our investment managers on 26 September 2014.

In 2016, the main portfolio was monitored on a total return basis using consumer price inflation (CPI) plus 3%. The portfolio achieved a total annual return of 15.2% against a benchmark of 4.6%.

The oversight of our investment funds has been delegated to the Audit, Risk and Finance Committee. During 2016, the Committee reviewed its approach to their performance review of the investment funds and concluded that, going forward, they would have direct oversight rather than delegate it to a sub-committee. Quarterly reports from the Investment Manager were issued to the members of the Audit, Risk and Finance Committee. The Audit, Risk and Finance Committee carried out a review of the investment principles, during the year, under which the managers operate.

Overall we received investment income in 2016 of £226,000 (2015: £220,000) from the investment portfolios and a net investment gain of £1,704,000 in 2016 (2015: £809,000).

Our socially responsible investment position prohibits direct investment into tobacco companies.

Grant making policy

We award several types of grants to meet our objectives. The major types are individual support grants and research grants.

Individual support grants

We provide financial assistance to individuals with MS, their families and carers. These grants help with a range of costs associated with daily living, including the cost of home adaptations, mobility aids, short breaks and respite care. Funded by local donations, administered through our volunteer branch network and complemented with centrally held funds, we awarded £1.5 million in support grants in 2016.

Research grants

We provide grants for research in the areas of cure, cause and quality of life. These grants cover small and large projects, PhDs and fellowships.

Our current priority for research is around progressive MS — more specifically in the areas of myelin repair, protecting nerves from damage and symptom relief. We actively pursue research collaboration both as a funder and a source of considerable expertise. We committed over £4.6 million in research grants in 2016.

Our principal risks and uncertainties

We are committed to effective risk management as an integral part of ensuring good corporate governance. Informed risk-taking helps to improve performance, manage our threats and opportunities and to create an environment of 'no surprises'. This enables us to get the right balance between innovation and change and the avoidance of shocks and crises. Risk management provides the framework and process that enables us to manage uncertainty in a systematic, effective and efficient way.

Our risk management processes are designed to enable us to conclude whether the major risks to which we are exposed have been identified and reviewed. This is carried out with advice and oversight from the Audit, Risk and Finance Committee, which considers reports from our internal auditors and our management team. Internal audit carry out reviews across the MS Society based on a three year audit plan; these reports comment on the systems of internal control. Our systems and procedures that have been established to mitigate the risks are in accordance with the Charity Commission's requirements and company law. Risks are assessed in terms of their financial and reputational impact and their impact on the delivery of our seven strategic goals. Major risks are those which have a high likelihood of occurring and would have a severe impact on the achievement of our seven core goals.

As Trustees, the Board concentrates its efforts on ensuring the most serious risks are being managed effectively. There is a quarterly review by the Audit, Risk and Finance Committee following which, the Board is updated; opportunities are provided for the Board to carry out a more detailed review. We are confident the methodology enables major risks to be identified throughout the organisation.

Below are three of the larger risks and uncertainties which affect the MS Society and the plan and strategy to mitigate the risks:

1. Effective people, including staff and volunteers

We look to retain staff by ensuring they enjoy contributing to our goals, feel supported and have opportunities to develop. We are developing and implementing people and volunteer strategies.

We carry out surveys to identify areas for improvement. The 2015 survey identified the need to create a stronger organisational culture in which people feel free to express ideas and try new approaches and to improve engagement, which has been a focus of the leadership team in 2016.

There are internal communications mechanisms aimed at engaging, motivating and informing staff and these have been enhanced in 2016 by the introduction of a new staff intranet, Axon.

In 2016 we approved our volunteer strategy to support us to:

- grow our volunteering population
- improve volunteer engagement, experience and retention
- increase income raised by volunteers
- increase our support to people living with MS

In 2017 we will begin implementing this strategy, starting with increasing the opportunities for volunteering, improving how we recognise and reward volunteers, and refreshing our approach to recruitment and learning and development.

The Local Networks Programme, which we launched in 2016, covers volunteer roles in the volunteer-run branch network and aims to attract more volunteers and improve volunteer experience.

2. Sufficient financial resources to support people affected by MS and achieve our ambition of stopping MS

We recognise that to meet our ambitious strategy we will need to increase our income. So we have increased our investment in fundraising, particularly in partnership fundraising and planning and are developing a new suite of individual and community fundraising products. We have agreed that going forward it is vital we develop a relationship with the entire MS community which is informative and engaging and where the benefit of our work is evident and well supported.

With a changing external environment and developing strategies and plans including the need to collaborate on large, long-term research projects we recognise the need to understand our financial model and how it adapts to change. In 2017, we plan to review our financial model, including refreshing the fundraising strategy which was approved in 2015.

3. External environment including a) reduced government spending b) the pressure on social care and c) increasing regulatory requirements

The health and care system faces unprecedented financial challenges and growing workforce and

capacity crises. The quality of, and access to, support remains highly variable. In early 2017, we will develop and begin to implement an influencing strategy for health and care to ensure that we will be the leading voice, nationally and locally, in influencing positive change in the health and care system for people affected by MS. Our 2017 business plans will detail our aims for each key campaign, including a new campaign on care and support.

The welfare system also continues to face challenges. In 2017 we will continue to campaign for a fairer welfare system for people with MS and provide financial assistance through our grants programme.

We will continue to have procedures in place to identify and understand the changing regulatory environment – in particular, in 2017, General Data Protection Regulations (GDPR) and fundraising regulations – and ensure that policies, controls and processes adequately reflect any changes. All the relevant individuals will receive appropriate information and training on all compliance requirements.

Our plans for 2017

In 2017 we will continue to make our vision a reality by working to achieve the seven goals and the 2015-2019 strategy. Our portfolio of activities will include a mix of high impact, high-risk initiatives, emerging strategies and organisational improvement initiatives, as well as implementation of approved strategies and programmes. This will include:

1. The continued implementation of our Services and Support Strategy and Local Networks Programme.
2. Refreshing our Fundraising Strategy 2017-19.
3. Enhancing our information provision through embedding and developing the plans in our Information Strategy.
4. Improving our grants programme to ensure we have the best impact for people living with MS.
5. Building on our new brand by beginning to implement the Marketing and Brand Strategy.
6. Ensuring that our volunteers are engaged and recognised through the continued implementation of our Volunteer Strategy.

To help us achieve a greater impact for people living with MS, we will have an organisational focus on the following seven key areas:

1. Research – we will develop a 2018-2023 research strategy, setting out how we will become a more impactful research funder and prepare for the MS multi-arm or adaptive clinical trial research project.
2. Stop MS Appeal – we will prepare ourselves and the scientific community for the public phase of the Stop MS Appeal, including determining when the best time would be to launch the public phase.
3. Access to treatments – we will scale up our efforts to activate people with MS and encourage professionals to work with people with MS to ensure access to the right treatment at the right time.
4. Effective influencing – we will develop and implement a new health and care influencing strategy for how we will nationally and locally improve care and support for people with MS.
5. Focus on audience segments – we will develop and implement our marketing strategy to engage with key audiences, to help improve activation of people with MS, mobilise our community, and increase income.
6. Digital transformation – we will deliver flagship digital projects, and build our plans and readiness to maximise the benefits of data, technology, and digital.
7. Long-term funding model – we will understand our financial model to give us the greatest possible opportunity to be sustainable in the longer term.

Structure, governance and management

The Multiple Sclerosis Society (the 'MS Society') is a charitable company limited by membership guarantees, registered in England and Wales, company number 07451571 and with a registered charity number 1139257.

The MS Society is governed by its Memorandum and Articles of Association.

The MS Society is registered with OSCR as a cross-border charity, number SCO41990.

The MS Society is the sole trustee and sole member of the Multiple Sclerosis Society of Great Britain and Northern Ireland with a registered charity number 1139257/1 (formerly 207495) and precursor of the MS Society.

Main purposes

The MS Society was set up with three main objects:

- To support and relieve people affected by multiple sclerosis.
- To encourage people affected by multiple sclerosis to attain their full potential as members of society by improving their conditions of life.
- To promote research into multiple sclerosis and allied conditions and to publish the results.

Board of Trustees

The Board of Trustees (members of which are also directors under company law) is the governing body of the MS Society. Its principal role is to establish the policies, systems and procedures of the charity and to ensure the effective and equitable use of the MS Society's resources in pursuit of its objects. The rules which it may make include those relating to electoral processes, the supervision and accountability of officers and committees (at local and national levels) and codes of conduct.

The majority of the Board is directly elected by the membership on the basis of one member, one vote to serve a term of three years and may be elected to serve a further consecutive term of three years, before a break of at least one year. A Trustee must be a member of the MS Society.

The Chair of the MS Society is selected by the Board and may serve for one term of five years. The Treasurer is appointed by the Board for a three year term of office and may serve for two consecutive terms before a break of at least one year. Both the Chair and the Treasurer may be co-opted by the Board (rather than being elected Trustees) for their skill-sets.

Each new Trustee receives an induction to the MS Society, which includes an emphasis on the MS Society's charitable objects and briefings on the key responsibilities of Trustees and the Board. The MS

Society ensures Trustees receive ongoing support including familiarisation with its strategy, structure, workings, staff and volunteers, finance and health and safety.

Board delegation

The Board delegates the exercise of certain powers in connection with the management and administration of the MS Society to the Chief Executive and her staff through the Scheme of Delegation which is available on the MS Society's website. The Board has seven committees.

The Governance Committee is responsible, on behalf of the Board of Trustees, for governance issues within the MS Society across the UK, and also ensures that the distinct national voices of members are factored into the Board's decision making processes. As well as Trustees its members include the Chairs of the national councils.

The Audit, Risk and Finance Committee provides detailed oversight, on behalf of the Board of Trustees, of the financial affairs of the MS Society, ensuring the financial viability of the charity, efficient, effective and proper use of its resources and safeguarding its assets. It also provides detailed oversight, on behalf of the Board, of the charity's systems for internal control and risk management and the operation of the arrangements for value for money. Due to the increasing regulatory environment, in 2016, the Committee assumed oversight of fundraising activities on behalf of the Board of Trustees.

The People Committee provides, on behalf of the Board of Trustees, detailed oversight of the MS Society's strategy in relation to employees and volunteers.

The four National Councils provide a voice for members in the individual nations of the UK, are an ambassador and advocate for people with MS and help to ensure that the MS Society's UK wide strategy is appropriately tailored within their nation. There is a national council in each of England, Northern Ireland, Scotland and Wales.

Chief Executive and senior management

The Chief Executive is responsible for the day to day management of the charity's affairs and for implementing policies agreed by the Board. The Chief Executive is assisted by a group of senior managers and manages our staff and volunteers.

Offices and groups (branches)

We have offices in Belfast, Cardiff, Edinburgh and London. Our office in London, known as the MS National Centre (MSNC), serves as our main and registered office.

There are over 270 MS Society groups, which are mostly volunteer run: -

- The vast majority of which cover geographic regions, providing information, support and access to a range of services to people affected by MS at a local level.
- MS Society national support groups for Asians affected by MS (Asian MS) and people currently or formerly working in the Armed Forces (Mutual Support).
- Other groups which have been set up to raise funds or for other specific purposes.

Volunteers

We have around 5,500 committed and active volunteers, many of whom have a personal connection to MS. Their personal commitment has been the cornerstone of our success in delivering its goals.

It is difficult for us to put a value on the skills, care, devotion and commitment of our volunteers in working for people with MS.

Staff

Our approach to employing people with disabilities

We are dedicated to attracting and retaining a talented and diverse workforce and aim to be an exemplary employer of people with MS and other disabilities. Our commitment to non-discrimination is embedded in our policies, procedures and practice.

We make reasonable adjustments to support disabled staff to meet their full potential by implementing best employment practice, tackling discrimination and removing access barriers, where reasonably practicable to do so. Staff with disabilities are given equal access to learning, development and promotion opportunities.

Keeping staff informed

We have well-established arrangements for consulting and involving staff in our work. There is a weekly email update, monthly staff newsletter and an intranet site to keep staff fully informed of the organisation's strategy and objectives. We hold a quarterly staff meeting with the Chief Executive, keeping staff up to date on impact, performance, progress and financial position. Also available to staff are our Board of Trustees papers, which are on our website. A joint negotiating and consultation committee — formed of union representatives, staff representatives and members of the Executive Group — meets monthly to discuss staff and organisation-wide issues.

All managers hold regular meetings with their teams and individual staff to increase engagement and facilitate informal and formal discussion, information sharing and consultation on issues as appropriate. Individual performance is formally reviewed twice a year and is aligned with organisational goals. Learning and development is an integral part of the staff appraisal process, which also includes less formal, more regular meetings.

We aim to pay salaries which are fair, competitive within the charity sector and proportionate to the complexity of each role. In determining the right level of pay, we:

- Have a detailed job evaluation process which is then benchmarked against Croner Charity Rewards.
- Aim to pay salaries at the median of charity sector salaries. We do not look to compete with private or public sector salaries.
- Are committed to ensuring that all staff are paid the living wage as defined by the Living Wage Foundation.
- Currently pay a dispersion ratio of approximately 4:1 between the highest salary and the median salary.

Trustees are not remunerated. Remuneration for other key management personnel is handled in the same way as for all other staff, except for the Chief Executive, which is based on the same principles as for all other staff but is decided by the Chair (after consulting with and obtaining input from the Vice Chair and Treasurer).

Relationship between the MS Society and its subsidiaries

The Multiple Sclerosis Society owns two shares in MSS (Trading) Limited. The principal activities of MSS (Trading) Limited are corporate sponsorship, sale of greeting cards and sale of advertising space for the benefit of the MS Society. MS Society Nominees Limited, a company limited by guarantee without share capital, holds the title deeds of the MS Society's property portfolio.

Public benefit

Senior management and Trustees of the Multiple Sclerosis Society have complied with the duty in s.4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in administering the MS Society, in determining achievements against the aims they had set for 2015 and in planning activities for 2016.

Statement of Trustees' responsibilities and corporate governance

Trustees' responsibilities statement

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 and Trustees have elected to prepare the financial statements 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period.

In preparing these financial statements, the Trustees are required to:

- Select the most suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charity SORP.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK 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 charitable group will continue in business.

The Trustees are responsible for keeping adequate 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 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 charitable company and the group and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Trustees is aware:

- There is no relevant audit information of which the charitable company's auditors are unaware
- The Trustees have each taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

haysmacintyre has indicated its willingness to be reappointed as statutory auditor.

Approved by the Board of Trustees of the MS Society on 7 June including, in their capacity as company directors, the strategic report contained therein, and signed on its behalf by:

Stuart Secker

Treasurer

7 June 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MULTIPLE SCLEROSIS SOCIETY

We have audited the financial statements of Multiple Sclerosis Society for the year ended 31 December 2016 which comprise of the Consolidated Statement of Financial Activities, the Consolidated and Charity Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (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, section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 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 charitable 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 Trustees' Responsibilities Statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016 and of the group's and the parent charitable company's net movement in funds, including the group's 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 and the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF MULTIPLE SCLEROSIS SOCIETY

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 and the Charity Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company and group have not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated charitable company 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.

*Anna Bennett (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor,
26 Red Lion Square, London
WC1R 4AG
1 August 2017*

Consolidated Statement of Financial Activities (SOFA)

(incorporating an income and expenditure statement)

Year ended 31 December 2016

	Notes	Unrestricted funds	Restricted funds	2016 Total	2015 Total
Income from:	5	£'000	£'000	£'000	£'000
Donations		9,547	4,531	14,078	15,185
Legacies receivable		8,816	2,417	11,233	9,328
Charitable activities		460	327	787	843
Other trading activities		1,969	548	2,517	1,669
Investment income		265	13	278	270
Other income		107	23	130	448
Total income	5	21,164	7,859	29,023	27,743
Expenditure on:	6				
Raising funds					
Raising funds - Ongoing		5,903	690	6,593	6,179
Raising funds - New donor acquisition		848	-	848	758
Total raising funds expenditure		6,751	690	7,441	6,937
Charitable activities					
Goal 1 - Effective treatments		870	2,988	3,858	3,686
Goal 2 - Responsive care and Support		3,791	1,219	5,010	4,322
Goal 3 - Preventing MS		47	1,001	1,048	1,253
Goal 4 - Quality information		3,610	544	4,154	4,114
Goal 5 - A strong community, independent lives		4,696	983	5,679	5,718
Goal 6 - Supporting families and carers		1,420	195	1,615	1,625
Goal 7 - Greater certainty about the future		225	501	726	270
Total expenditure	6	21,410	8,121	29,531	27,925
Net expenditure before investments		(246)	(262)	(508)	(182)
Net gains on investments	15	1,675	29	1,704	809
Net income		1,429	(233)	1,196	627
Other recognised gains and losses		15	-	15	42
Net movement in funds		1,444	(233)	1,211	669
Reconciliation of Funds					
Total funds brought forward		13,325	2,833	16,158	15,489
Total funds carried forward	20	14,769	2,600	17,369	16,158

Prior year split between unrestricted and restricted appears in note 21.

Restricted funds includes endowment funds of £299k (2015: £270k) - see note 20 for an analysis. All activities above were from continuing activities.

Consolidated Balance Sheet

31 December 2016

	Notes	Consolidated 2016 £'000	2015 £'000	Charity 2016 £'000	2015 £'000
Fixed assets					
Intangible assets	12	211	206	211	206
Tangible assets	13	5,688	6,001	5,688	6,001
Investments	15	14,344	12,479	14,344	12,479
Total fixed assets		20,243	18,686	20,243	18,686
Current assets					
Debtors	17	2,913	3,749	2,924	3,744
Investments		2,000	1,800	2,000	1,800
Cash at bank and in hand		1,656	1,002	1,600	957
Total current assets		6,569	6,551	6,524	6,501
Liabilities:					
Creditors: Amounts falling due within one year	18	9,443	9,079	9,398	9,029
Net current liabilities		(2,874)	(2,528)	(2,874)	(2,528)
Total assets less current liabilities		17,369	16,158	17,369	16,158
Provision for liabilities		-	-	-	-
Total net assets	20	17,369	16,158	17,369	16,158
Funds					
Endowment funds	20	299	270	299	270
Restricted income funds	20	2,301	2,563	2,301	2,563
Unrestricted funds					
- Designated for intangible & tangible fixed assets		5,593	5,892	5,593	5,892
- Designated for research (Stop MS Appeal)		3,639	1,426	3,639	1,426
- General funds		5,537	6,007	5,537	6,007
Total unrestricted funds	20	14,769	13,325	14,769	13,325
Total charity funds	20	17,369	16,158	17,369	16,158

The turnover for the charity (i.e. excluding MSS (Trading) Ltd) was £28.7m (2015 £27.4m) and the net movement in funds in the charity was £1.2m (2015: £669k). The Society has taken advantage of the exemption under s.408 of the Companies Act 2006 to not include a charity only Statement of Financial Activities.

These financial statements were approved and signed on behalf of the Trustees on 7 June 2017. The notes on pages 25 to 40 form part of these financial statements.

Stuart Secker
Treasurer

Consolidated statement of cash flows

Year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities	A	790	(1,290)
Cash flows from investing activities:			
Dividends and interest from investments		278	270
Proceeds from the sale of property, plant and equipment		146	722
Purchase of intangible assets		(122)	(36)
Purchase of property, plant and equipment		(92)	(336)
Proceeds from sale of investments		4,515	2,847
Purchase of investments		(4,676)	(2,766)
Net cash provided by (used in) investing activities		49	701
Cash flows from financing activities:			
		-	-
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents as at 1 January	B	2,802	3,349
Change in cash and cash equivalents due to exchange rate movements		15	42
Cash and cash equivalents as at 31 December	B	3,656	2,802
A. Reconciliation of net income/(expenditure) to net cash flow from operating activities			
Net income/expenditure for the reporting period as per the statement of financial activities)		1,196	627
Adjustments for:			
Depreciation changes		506	534
Gains on investments		(1,704)	(809)
Dividends and interest from investments		(278)	(270)
Profit on the sale of fixed assets		(130)	(448)
Decrease/(Increase) in debtors		836	(823)
Increase/(Decrease) in creditors		364	(101)
Net cash provided by (used in) operating activities		790	(1,290)
B Analysis of cash and cash equivalents			
Cash in hand		1,656	1,002
Notice deposits (less than 3 months)		2,000	1,800
Total cash and cash equivalents		3,656	2,802

Note the Society has taken advantage of the exemption contained in FRS102 on the preparation of a charity cash flow statement.

Notes to Consolidated Accounts

Year ended 31 December 2016

1. Charity information

The charity is a private limited company (registered number 07451571), which is incorporated and domiciled in the UK. The address of the registered office is 372 Edgware Road, London NW2 6ND.

2. Accounting policies

a). Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Charities Act 2011 and [the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006] and UK Generally Accepted Practice as it applies from 1 January 2015.

The MS Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

These are consolidated accounts representing the accounts of the MS Society, its linked charity 'Multiple Sclerosis Society of Great Britain and Northern Ireland' and its subsidiary company, MSS (Trading) Limited (registered company number 02895015). These accounts have been consolidated on a line by line basis.

MS Society's accounts include the returns from its volunteer run branches (called 'groups') operating in the financial year. Most branches maintain their accounting records online with information being fed into the Society's main accounting system. These branches account on a receipts and payments basis.

For 2016, around 24% of branches submitted a paper return with accounts for the 12 months to the end of October. The last two months of the year are estimated by comparing the closing bank balances at 31 October and 31 December.

Additionally selected branches are required to submit an 'Agreed upon Procedures Report' (APR) which has been signed off by a Chartered Accountant.

A summary of branch returns included in the accounts (including branches which have now closed, support groups and fundraising groups)

	Total	Prepared centrally	APR submitted	Only returns submitted	Failed to submit a return
Required to submit APR report	23	-	18	5	-
Not required to submit APR report					
Paper returns	58	-	-	58	-
Branches who record transactions online	207	23	-	184	-
	288	23	18	247	-

b). Going concern

As set out in the Trustees report the Society has adequate financial resources and is well placed to manage its business risks. We believe there are no material uncertainties that call into doubt the charity's ability to continue. The accounts therefore have been prepared on the basis that the charity is a going concern.

c). Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in this note, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

d). Functional/Presentation currency

The functional currency of the Society and its subsidiary is considered to be in pounds sterling because that is the currency of the primary economic environment in which the charity/group operates. The consolidated financial statements are also presented in pounds sterling.

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

2. Accounting policies (continued)

e). Funds

The different funds are defined as follows

Endowment funds

Permanent endowment: where a donor specifies only income arising from a donation can be used and the income may also be restricted towards a particular purpose.

Expendable endowment: An expendable endowment fund is a fund that must be invested to produce income. Depending on the conditions attached to the endowment, the Trustees will have a legal power to convert all or part of it into an income fund which can then be spent.

Restricted income funds

Restricted income funds are subject to specific restrictions imposed by the donor or by the nature of the appeal.

General funds / Unrestricted funds

General funds are unrestricted income funds available to the Society for its general purposes and include funds designated for a particular purpose. The use of designated funds remains at the discretion of Trustees.

f). Income

All income is accounted for when the Society has entitlement, the receipt is probable and the amount is measurable.

- Legacies are recognised when all the three criteria below are met:
 - a. Establish entitlement – in practice this would be estate accounts being finalised or cash received or where there is agreement on an interim distribution.
 - b. Where receipt is probable – being named in a will makes a receipt probable.
 - c. The amount is measurable – in practice this could come from estate accounts, cash received or correspondence from executors/solicitors confirming an amount to be distributed. Measurability will also be met where a reasonably accurate assessment can be made of the value.
- Donated services and facilities: are included at the value to the charity where this can be quantified. No amounts are included in the financial statements for services donated by volunteers – with 5,500 volunteers the amount involved is significant but difficult to quantify.
- Gifts donated for resale are included as income when they are sold at the price they are sold for.
- Grants: where related to performance and specific deliverables are accounted for as the charity earns the right to consideration by its performance. Where the grant is received in advance of performance, its recognition is deferred and included in creditors. Where entitlement occurs before the grant is received, it is accrued in debtors.

g). Expenditure

Expenditure is accounted for on an accruals basis except for branches that use branch accounting online who account on a receipts and payments basis. Expenditure includes irrecoverable VAT where applicable. The Society makes research grants after evaluating the merits of each grant application and by peer review of grant applications. Each grant commitment is dependent on the satisfactory outcome of a review which, for most grants, is carried out annually. Consequently, for these grants, the Society commits expenditure up to the next date when a review will be done.

Expenditure is allocated to relevant activity categories on a basis that is consistent with the use of the resource.

- Raising funds includes all costs relating to activities where the primary aim is to raise funds along with an apportionment of support costs.
- Charitable activities includes all costs relating to activities where the primary aim is part of the objects of the Society along with an apportionment of support costs.

Support costs consisting of human resources department (HR), facilities and information technology (IT) are apportioned based on the number of staff (full time equivalents) working on core activities. Finance costs, governance costs and general management costs are apportioned based on direct costs on core activities.

h). Intangible fixed assets

Intangible fixed assets are included at cost and amortised on a straight line basis, in order to write off the assets over their useful lives. Assets below £2,000 are not capitalised. The only assets held as intangible fixed assets are software and costs associated with setting up a new website, these costs are amortised at 33 ⅓% in order to write off these assets over the period of time the Society will receive economic benefit from them.

i). Tangible fixed assets, depreciation and impairment

Tangible fixed assets are included at cost and depreciation is provided on a straight line basis, in order to write off the assets over their useful lives. Assets below £2,000 are not capitalised.

The depreciation rates are as follows:

Freehold land	Nil	Computer equipment	33 ⅓%
Freehold buildings	2%	Motor vehicles	25%
Leasehold buildings	Remaining term of lease	Fixtures and equipment	20%

Fixed assets are subject to a review for impairment where there is an indication of a reduction in their carrying value. Any impairment is recognised in the Consolidated Statement of Financial Activities in the year in which it occurs.

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

2. Accounting policies (continued)

j). Fixed asset Investments

Investments are stated at market value. It is the Society's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising to previous years. As a result the SOFA includes those unrealised gains and losses arising from the revaluation of the investment portfolio throughout the year.

Fixed asset investments will include cash held by the investment managers which is intended for investment or held as part of the portfolio.

k). Investments included within current assets

Investments included within current assets are monies held in deposit accounts or in short term notice accounts (less than 12 months).

l). Cash at bank and in hand

Cash at bank and in hand refers to monies held in current accounts, bank accounts within the Society's cash pooling scheme and cash.

m). Financial instruments

Recognition criteria for financial instruments appears below:

Financial instrument	Measurement criteria (initial and subsequent)
Cash	Cash held, then on amortised cost
Debtors including trade debtors and loans receivable	Settlement amount or amount advanced then at amortised cost
Creditors	Settlement amount after trade discounts then at amortised cost
Bank deposits	Cash amount of deposit then at amortised cost
Investments	Transaction cost then at fair value (market value of quoted investments)

n). Leasing

All operating leases and rental expenses are charged to the SOFA as incurred.

o). Pension Costs

The Society has an on-going defined contribution scheme with all amounts charged to the SOFA in respect to pension costs being the contribution payable in the year. The Society also has a pension creditor in relation to a historic defined benefit pension scheme with the creditor balance representing part of the final pay off amount with no amounts charged to the SOFA in the year.

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

3. Geographic split of consolidated results

	UK and England £'000	Scotland £'000	Northern Ireland £'000	Wales/ Cymru £'000	Trading Co. £'000	Total £'000
Income	25,923	1,660	779	301	360	29,023
Expenditure on raising funds						
- Raising funds - Ongoing	5,882	308	135	57	211	6,593
- Raising funds - New donor acquisition	833	13	2	-	-	848
Charitable activities						
- Goal 1 - Effective treatments	3,746	53	23	36	-	3,858
- Goal 2 - Responsive care and Support	4,125	400	322	163	-	5,010
- Goal 3 - Preventing MS	1,048	-	-	-	-	1,048
- Goal 4 - Quality information	3,700	223	123	108	-	4,154
- Goal 5 - A strong community, independent lives	4,659	453	398	169	-	5,679
- Goal 6 - Supporting families and carers	1,374	115	65	61	-	1,615
- Goal 7 - Greater certainty about the future	726	-	-	-	-	726
Expenditure	26,093	1,565	1,068	594	211	29,531
Net income / (expenditure)	(170)	95	(289)	(293)	149	(508)

The above represents income received at national offices and branches (groups) within each respective country in the United Kingdom. Expenditure in this analysis reflects where the expenditure was initiated from. Centralised activities (e.g. research) have been included within 'UK and England'. Also included in 'UK and England' are national support groups, the Isle of Man group and the Guernsey group.

Trading company surplus of £149k (2015:£181k) excludes inter-company transactions of £30k (2015:£27k).

4. Role of volunteers

The Society has approximately 5,500 committed and active volunteers, many of whom have a personal connection to MS. Volunteers contribute throughout the Society by being Trustees, National Council members, fundraising, providing expert professional advice, being part of our Research Network, working to support and care for individuals affected by MS and delivering services through our branches. The Society has a large volunteer-run branch network who raise and spend money locally to support those affected by MS in their area.

5. Analysis of income

	2016 £'000	2015 £'000
Donations:		
Direct marketing	4,534	4,786
Community and events	4,414	4,240
Partnership fundraising	3,062	3,476
Raised locally	2,068	2,683
	14,078	15,185
Legacies	11,233	9,328
Charitable activities		
Charges made by the volunteer branch network to people affected by MS	286	356
Other fees and grants	501	487
	787	843

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

5. Analysis of income (continued)

Other trading activities	2016	2015
	£'000	£'000
MSS (Trading) Limited	360	348
Raffles, lotteries and similar	611	389
Sale of donated goods	482	443
Fundraising events organised at main national office	548	-
Other (local fundraising events organised by branches and rent received)	516	489
	2,517	1,669
Investment income		
Dividend income receivable	226	220
Interest receivable	52	50
	278	270
Other income (relates to the profit on the sale of fixed assets)	130	448
Total income	29,023	27,743

6. Expenditure

	Grants		Direct Costs	Support Costs Appointed	2016	2015
	Institutional	Individuals				
	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds - Ongoing	-	-	5,544	1,049	6,593	6,179
Raising funds - New donor acquisition	-	-	757	91	848	758
1. Effective treatments	2,449	-	1,061	348	3,858	3,686
2. Responsive care & Support	359	1,104	2,811	736	5,010	4,322
3. Preventing MS	939	-	68	41	1,048	1,253
4. Quality information	391	149	2,974	640	4,154	4,114
5. A strong community, independent lives	59	-	4,743	877	5,679	5,718
6. Supporting families & carers	54	222	1,089	250	1,615	1,625
7. Greater certainty...	423	-	259	44	726	270
	4,674	1,475	19,306	4,076	29,531	27,925

Analysis of Support Costs apportioned

	Governance	Management ²	HR Costs ¹	Finance ²	IT Support ¹	Facilities ¹	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds - Ongoing	60	102	181	164	312	230	1,049
Raising funds - New donor acquisition	8	14	11	23	20	15	91
1. Effective treatments	26	44	52	70	90	66	348
2. Responsive care & Support	42	72	126	117	218	161	736
3. Preventing MS	6	10	2	17	3	3	41
4. Quality information	37	63	110	100	190	140	640
5. A strong community, independent lives	53	91	147	146	253	187	877
6. Supporting families & carers	14	25	43	40	74	54	250
7. Greater certainty...	5	9	4	14	7	5	44
2016	251	430	676	691	1,167	861	4,076
2015	211	465	1,003	724	906	1,072	4,381

Method of apportionment

¹ Apportioned on the number of full time staff equivalents.

² Apportioned based on total direct costs. Does not include management and finance costs that could be directly allocated to direct costs.

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

6. Expenditure (continued)

Analysis of governance costs

	2016 £'000	2015 £'000
Fees payable to the Charity's auditors for the audit of the annual accounts	26	47
Internal audit	63	40
Trustee expenses (Note 8)	7	9
AGM related costs	43	49
Board support related costs	112	66
Total governance costs	251	211

7. Grants

Strategic Goals	Research Grants	Grant released in in 2016		Total grant award £'000
		£'000	£'000	
	Swansea University			
1,3,4,7	Prof K Jones - UK MS Register development phase	312		898
1,3,4,7	Dr D Ford - UK MS Register project	270		270
1	Prof C Phillips - Cost of not treating MS with a Disease Modifying Therapy	150		150
			732	
	University of Edinburgh			
1,3	Prof S Chandran - The Edinburgh MS Centre for Translational Research	391		2,030
1,3	Dr D Mahad - Mitochondria and mechanisms of axon degeneration in progressive MS	55		81
1	Dr V Miron - Identification of novel microglia-derived therapeutic targets for remyelination in MS	33		95
1	Dr A Williams - Is Fractalkine (CX3CL1) a master regulator of remyelination in MS?	77		254
			556	
	University of Cambridge			
1	Prof RJM Franklin - Cambridge Centre for Myelin Repair Renewal	407		1,641
1,3	Dr S Sawcer - Establishing the functional consequences of an MS associated variant on chromosome 14q31 - the role of GPR65 and GALC in MS	70		204
1,3	Dr M Kotter, FoxO3a and CNS remyelination	78		241
			555	
	University College London (UCL)			
1,3,4,7	Dr D Chard, MS: prospective clinical and MRI follow up after 30 years, and features at earlier time points	91		186
1,3	Prof D Miller - Imaging research to facilitate new treatments for MS	250		1,350
1	Prof J Malone-Lee - Bladder symptoms in MS	37		112
1,3	Dr R Samson - Quantification of myelin in the spinal cord in MS	27		83
			405	
	University of Glasgow			
1	Prof C Linington - Specificity profiling of pathogenic autoantibody responses in MS	60		188
1,3	Prof C Linington - Dissecting the function of fibroblast growth factor 9 in the immunopathogenesis of multiple sclerosis	33		102
1,2,5	Dr L Paul - Web-based physiotherapy for people with MS	128		235
1,3	Prof C Linington - Pro-inflammatory feedback loops in progressive multiple sclerosis: a role for the intrathecal antibody repertoire	84		246
1	Prof S Barnett - Heparan mimetics as a novel therapeutic for MS	73		150
			378	
	Imperial College London			
1,3,4,7	The UK Multiple Sclerosis and Parkinson's Disease Tissue Bank at Imperial College	249		1,264
1,3	Prof Altmann - Natural killer cells subsets in the pathogenesis and control of MS	36		110
			285	
	Totals carried forward		2,911	

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

7. Grants (continued)

Strategic Goals	Research Grants	Grant released in in 2016		Total grant award £'000
		£'000	£'000 2,911	
Research grants released in 2016 brought forward				
	Kings College London			
1,2,4,7	Dr A Bognosian - A longitudinal mixed methods approach to the study of adjustment to primary and secondary progressive MS	57		164
1,2,4,5	Prof R Moss-Morris, Developing a biosychosocial model and self management treatment for fatigue in children and adolescents with MS	51		76
2	Dr R Vanderstay - Functional outcomes and cost-efficiency of specialist rehabilitation for people with MS	46		46
1,4	Prof R Moss-Morris, Exploring fatigue in children and adolescents with MS	17		80
			171	
	Medical Research Council			
1	Research fellowships	59		1,196
1	Dr T Foulks - efficacy of 3 neuroprotective drugs for secondary progressive MS	109		409
			168	
1,3,4,7	International Progressive MS Alliance		159	750
	Cardiff University			
1	Prof N Robertson - Prognosis following early aggressive disease - modifying therapy in MS	45		45
1,3,4,7	Dr V Tomassini - Predicting the individual's potential for functional recovery in MS: a novel clinical and neuroimaging strategy	86		263
			131	
	University of Oxford			
1,7	Prof D Anthony - Metabolomic analysis of plasma for highly sensitive staging and monitoring of MS	107		331
1	Other small grant	6		6
			113	
	University of Nottingham			
2	Prof R das Nair - Intervention to support individuals around the point of Multiple Sclerosis diagnosis	64		172
1,2,4	Prof N Lincoln - Evaluation of Neupage as a memory aid for people with multiple sclerosis	23		73
1,2,4,5	Prof A Drummond - Delivering cognitive rehabilitation to people with MS	22		65
			109	
	Brunel University			
1,3	Dr J Ryan - Changing physical activity behaviour in people with MS: iSTEP-MS		98	177
	University of Southampton			
1,3	Dr I Galea - Systemic Inflammation in Multiple Sclerosis (SIMS)		82	256
	Queen Mary University of London			
1	Prof S Amor - TSPO in glia cells as a novel target to promote neuroprotection		80	161
	Walton Centre NHS Trust			
2	Prof C Young - What really determines quality of life in people with MS?		67	276
	Via the British Council - (Cambridge University and The Hebrew University of Jerusalem)			
1,3	Dr M Kotter and Prof S Rotshenker - Identifying new ways to repair myelin		67	200
	University of Portsmouth			
1	Dr S Hafizi - Gas6 as an immune-regulating repair molecule for the CNS after demyelination		62	178
	University of Manchester			
1	Prof D French - What influences healthcare professionals prescribing of disease modifying treatments for MS in the UK? A mixed methods study		58	71
	Totals carried forward		4,276	

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

7. Grants (continued)

Strategic Goals	Research Grants	Grant released in 2016 £'000	Total grant award £'000
	Research grants released in 2016 brought forward	4,276	
	University of Exeter		
2,4	E Tompkins (Goodwin), Extending the evidence on QALYs in MS-related research/policy, and on the framework for cost-effectiveness analyses in the context of MS	51	165
	NHS Ayrshire & Arran		
1,2,4	L Miller – Functional Electrical Stimulation and management of foot drop in MS	50	139
	Plymouth University		
1,2,3,7	Prof J Hobart – SWIMS Integration with the UK MS Register 2016-2017	50	63
1-7	Other research grants (less than £50k) and grant write backs	221	
Total institutional grants released in 2016 for research		4,648	
In house research team and associated support costs		1,065	
Total cost on research		5,713	

Other institutional grants

Individual support grants

Associated support costs

	26	
	1,475	
	50	

Summary of research grants released in 2016 by goal (excluding support costs)

	2016 £'000	2015 £'000
Goal 1 - Effective treatments	2,441	2,423
Goal 2 - Responsive care and support	352	98
Goal 3 - Preventing MS	940	1,165
Goal 4 - Quality information	387	311
Goal 5 - A strong community, independent lives	57	19
Goal 6 - Supporting families and carers	48	(11)
Goal 7 - Greater certainty about the future	423	172
	4,648	4,177

8. Staff and Trustees costs

Total staff emoluments for the year were as follows:

	2016 £'000	2015 £'000
Salaries	9,509	8,959
National insurance	993	856
Pension	690	661
Redundancy payments	5	34
	11,197	10,510

Additionally ex gratia payments of £13k were made to former employees in 2016 (2015: £1k).

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

8. Staff and Trustees costs (continued)

The average number of individuals employed by the Society during the year was as follows:

Charitable activities
Generating funds
Governance

Average Head Count	
2016 Number	2015 Number
231	221
70	58
2	2
303	281

The number of employees whose employee benefits (excluding employer pension contributions) amounted to over £60,000 in the year was as follows:

£60,001-£70,000
£70,001-£80,000
£80,001-£90,000
£90,001-£100,000

2016 Number	2015 Number
3	4
-	1
5	3
3	1

All of the employees whose employee benefits were greater than £60,000 are members of a defined contribution pension scheme and the Society paid contributions of £85k (2015: £81k) for these employees.

Employee benefits paid to key management personnel

Key management personnel consist of the Trustees plus executive directors. The total amount of employee benefits to 7 (2015: 8) key management personnel in 2016 amounted to £701k (restated 2015:£684k).

Trustees recognise the need to attract the breadth and depth of expertise required to achieve its ambitious goals in a competitive employment market which includes commercial, public sector and charitable organisations. Trustees have agreed that the remuneration package offered to all staff including key management personnel should be benchmarked against similar positions located in London through an external evaluation process. All vacancies are filled following an external recruitment process, if that process is initially unsuccessful a market supplement may be added to the remuneration package.

Total employee benefits for the Chief Executive in 2016 amounted to £140k (restated 2015: £141k).

Trustee expenses and donations

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2015: £nil). Expenses paid to the trustees in the year totalled £8k (2015:£9k). These expenses were made up of 11 trustees reimbursed for their travel expenses of £4k (2015: £7k) and accommodation £4k (2015: £2k).

Additionally trustees and related parties gave donations of £127k (excluding gift aid) to the MS Society in 2016 (£83k in 2015).

9. Taxation

The Society has charitable status and is thus exempt from taxation of its income and gains falling within Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No material tax charges have arisen in its subsidiaries and no provision is required for deferred taxation.

Irrecoverable VAT has been charged against the relevant expenditure.

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

10. Net movements in funds

	2016 £'000	2015 £'000
Net movement in funds is arrived at after charging:		
Depreciation of intangible and tangible fixed assets	506	426
Profit on disposal of fixed assets	130	448
Fees payable to the Charity's auditors for the audit of the Charity's annual accounts	26	47
Fees payable to the Charity's auditors for other services to the group		
The audit of the charity's subsidiary pursuant to legislation	3	4
Other non audit services	1	1

11. Related party transactions

Jason Atkinson, who joined as a trustee in January 2015, is also the managing director of Russams GMS Limited. During 2016 the Society purchased consultancy services relating to Marketing and Brand from Russams for £19k.

At year end, Russam GMS Limited owed the Society £18k for Sponsorship of the Society's Christmas concert and this was paid in 2017.

The Society has a trading subsidiary, MSS (Trading) Limited - transactions in the year are as follows:

	£
Balance brought forward - owed by MSS (Trading) Limited to the charity	211,622
2015 Gift aided profits remitted to the charity	(153,641)
Monies relating to MSS (Trading) Limited received/paid by the charity (net)	(54,828)
Monies relating to the charity received/paid by MSS (Trading) Limited (net)	(21,918)
Use of logo charge and management fee charged by the charity to MSS (Trading) Limited	31,500
2016 profits of MSS (Trading) Limited	119,407
Amount owing from MSS (Trading) Limited to the charity	132,142

12. Intangible Fixed Assets

Consolidated and Charity

	Intangible Assets £'000
Cost	
Balance at 1 January	660
Additions	122
Disposals	-
Transfers	-
Balance at 31 December	782
Accumulated depreciation	
Balance at 1 January	454
Charge for year	117
Disposals	-
Transfers	-
Balance at 31 December	571
Net book value at 31 December 2016	211
Net book value at 31 December 2015	206

Intangible assets relates to computer software and website costs. Amortisation costs are included as support costs (IT costs) and apportioned across each expenditure heading in the SOFA on the basis of full time equivalents (See note 6 expenditure)

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

13. Tangible Fixed Assets

Consolidated and Charity	Freehold Land and Buildings £'000	Leasehold Property £'000	Computers £'000	Fixtures £'000	Motor Vehicles £'000	Total Tangible Assets £'000
Cost						
Balance at 1 January 2016	6,701	1,351	580	2,604	2,846	14,082
Additions	-	-	11	43	38	92
Disposals	(20)	-	(13)	(38)	(337)	(408)
Transfers	(19)	15	(4)	2	(4)	(10)
Balance at 31 December 2016	6,662	1,366	574	2,611	2,543	13,756
Accumulated depreciation						
Balance at 1 January 2016	2,051	550	580	2,266	2,634	8,081
Charge for year	135	53	1	61	139	389
Disposals	(4)	-	(13)	(38)	(337)	(392)
Transfers	(2)	6	(4)	(7)	(3)	(10)
Balance at 31 December 2016	2,180	609	564	2,282	2,433	8,068
Net book value at 31 December 2016	4,482	757	10	329	110	5,688
Net book value at 31 December 2015	4,650	801	-	338	212	6,001

Transfers represents some minor historical misallocation of fixed assets within our voluntary groups.

14. Capital commitments

There were no capital commitments as at 31 December 2016 or 31 December 2015.

15. Investments

Consolidated and Charity	2016 £'000	2015 £'000
Market value at 1 January	12,479	11,751
Acquisitions at cost	4,676	2,766
Disposals at market value	(4,791)	(2,492)
Gains on investment assets	1,704	809
Market value at 31 December excluding movement in cash held	14,068	12,834
Movement in cash held	276	(355)
Market value of investments at 31 December	14,344	12,479

In addition to the above the charity balance sheet includes an investment of £2 in MSS (Trading) Ltd (Note 23).

Represented by Assets held at Market Value	2016 £'000	2015 £'000
Investments listed on a Stock Exchange	13,577	11,988
Cash held as part of portfolio	767	491
	14,344	12,479

Included within 'Investments listed on a Stock Exchange' are investment assets outside the UK of £6.6m (2015: £6.7m). All other investments are investment assets in the UK.

In addition to the above, short term investments of £2.0m (2015: £1.8m) are held, which comprise of cash equivalents on deposit.

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

16. Financial instruments

At the Balance Sheet date the Society held the following:

Financial assets measured at fair value (quoted investments at market value)

Financial assets measured at amortised cost

Financial liabilities measured at amortised cost

Interest received from financial assets measured at amortised cost

Financial assets measured at fair value (quoted investments at market value)

- Income

- Expenditure

- Net gains on investment assets

	2016 £'000	2015 £'000
Financial assets measured at fair value (quoted investments at market value)	14,344	12,479
Financial assets measured at amortised cost	4,993	4,567
Financial liabilities measured at amortised cost	9,443	9,079
Interest received from financial assets measured at amortised cost	52	34
Financial assets measured at fair value (quoted investments at market value)		
- Income	226	236
- Expenditure	65	76
- Net gains on investment assets	1,704	809

Other financial instruments

A forward contract for €282,500 was entered into in March 2015 to hedge against a euro dominated commitment and this matured in February 2016.

17. Debtors

Legacy income accrued ¹

Trade debtors

Tax and VAT

Prepayments and accrued income

Amounts due from group companies

Other debtors

Consolidated		Charity	
2016 £'000	2015 £'000	2016 £'000	2015 £'000
Legacy income accrued ¹	473	473	1,251
Trade debtors	123	107	25
Tax and VAT	618	618	1,182
Prepayments and accrued income	1,572	1,474	831
Amounts due from group companies	-	132	212
Other debtors	127	120	243
	2,913	2,924	3,744

¹ Not included in the legacy figure above are approximately £4.0m (2015: £4.8m) of legacies where we had received probate but where measurement and certainty of entitlement was not confirmed at year end.

18. Creditors: amounts falling due within one year

Research grants

Trade creditors

Accruals

Tax and Social Security

Other creditors

Consolidated		Charity	
2016 £'000	2015 £'000	2016 £'000	2015 £'000
Research grants	7,569	7,569	7,062
Trade creditors	711	710	723
Accruals	590	551	594
Tax and Social Security	357	352	333
Other creditors	216	216	317
	9,443	9,398	9,029

19. Grants

Creditor at 1 January 2016

Grants awarded during year

Payments in the year

Creditor at 31 December 2016

Sundry Grants £'000	Grants to Individuals £'000	Research £'000	Total £'000
-	-	7,062	7,062
26	1,475	4,648	6,149
(26)	(1,475)	(4,141)	(5,642)
-	-	7,569	7,569

Funding for research grants is released a year at a time and, in theory, the full amount of the creditor will be due for payment within 1 year. From time to time there may be delays to research projects and sometimes research institutions can be slow in providing invoices.

In addition to the amounts committed and accrued noted above, there are also authorised research grants which are subject to an annual review. The total amounts authorised but not accrued as expenditure at the year end was £5.9m (2015: £5.8m) - these amounts will be funded by future income and the designated fund set up for the appeal.

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

20. Statement of funds

	At 1/1/2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and losses £'000	At 31/12/2016 £'000
Consolidated and Charity funds						
General Funds	6,007	21,164	(20,125)	(3,199)	1,690	5,537
<i>Designated Funds</i>						
Net book value of intangible and tangible fixed assets held	5,892	-	(498)	199	-	5,593
Research funds ¹	1,426	-	(787)	3,000	-	3,639
Total Designated Funds	7,318	-	(1,285)	3,199	-	9,232
Total Unrestricted Funds	13,325	21,164	(21,410)	-	1,690	14,769
Restricted Funds for research²						
Edinburgh MS Centre	8	29	(462)	-	-	(425)
Cambridge Centre Myelin Repair Renewal	(251)	417	(538)	13	-	(359)
UK MS Register project	-	-	(316)	-	-	(316)
MS Tissue bank	-	1	(292)	-	-	(291)
MRI Scanner	-	12	(295)	-	-	(283)
Cost of not treating MS with a DMT ³	-	-	(176)	-	-	(176)
Metabolomic analysis of plasma for highly sensitive staging and monitoring of MS ⁴	-	-	(125)	-	-	(125)
Physical activity and MS (ISTEP-MS)	-	-	(115)	-	-	(115)
Other negative specific research funds (all less than £100k)	-	9	(1,361)	-	-	(1,352)
Myelin repair research funds	-	263	(69)	-	-	194
Vitamin D	-	200	-	-	-	200
Simvasatin	-	511	-	-	-	511
Other specific research funds	76	226	(2,118)	1,972	-	156
General restricted research funds	418	3,783	(269)	(1,985)	-	1,947
Total research restricted funds	251	5,451	(6,136)	-	-	(434)
Northern Ireland day centre	-	126	(126)	-	-	-
Grants to individuals with or affected by MS	-	144	(144)	-	-	-
Welfare	5	279	(284)	-	-	-
Funds for local groups or geographic restrictions⁵						
Bournemouth buildings & vehicle	131	-	(4)	-	-	127
Redbridge physiotherapy building	54	-	(2)	-	-	52
Aberdeen	-	58	(33)	-	-	25
Blackpool and Fylde	84	151	(18)	-	-	217
Bradford	6	66	-	-	-	72
Caithness	-	64	(5)	-	-	59
Croydon	258	21	(45)	-	-	234
Harrow	53	14	(2)	-	-	65
Newmarket	381	-	(30)	-	-	351
Rotherham area	96	-	-	-	-	96
Shrewsbury	-	87	(11)	-	-	76
South East Essex	124	93	(49)	-	-	168
Southampton	13	92	(56)	-	-	49
Sefton area (formerly Southport & Formby)	68	2	(5)	-	-	65
Scotland	-	192	(192)	-	-	-
Other sundry restricted funds (<£50,000)	1,039	1,019	(979)	-	-	1,079
Total restricted income funds	2,563	7,859	(8,121)	-	-	2,301
Endowment funds						
Margaret Hutchinson memorial fund - Borders area	260	-	-	-	29	289
Derby branch endowment	10	-	-	-	-	10
Total endowment funds	270	-	-	-	29	299
Total funds	16,158	29,023	(29,531)	-	1,719	17,369

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

20. Statement of funds (continued)

¹The Society is undergoing an appeal ("Stop MS Appeal") to raise over £100m for research over the next 10 years. £30m of this is earmarked to come from unrestricted income and is represented by this designated fund.

²Expenditure includes the cost of the grant and related oncosts.

Fundraising for research grants is only undertaken after the award of a grant which also is when the first years costs are expended. We would anticipate getting restricted research funding for most of our research grants and where we do not receive specific funding we will use general research restricted monies. Any remaining deficit on research restricted funds will be made up with the designated fund for research.

³Cost of not treating MS with a disease modifying treatment is a research project being undertaken by Swansea University

⁴Metabolomic analysis of plasma for highly sensitive staging and monitoring of MS is a research project being undertaken by the University of Oxford

⁵Geographic restrictions arise where a donor has specifically asked that monies be used in a certain area and/or spent by a particular local MS Society group. In some cases these groups may have been given considerable discretion on the use of these funds including using the funds outside of their own locality in which they serve.

Note: The funds of the charity include £2 (2012: £2) relating to the total funds of MSS (Trading) Ltd.

21. SOFA split for prior year (2015) between unrestricted and restricted

	Unrestricted funds £'000	Restricted funds £'000	2015 Total Funds £'000
Income from:			
Donations	10,253	4,932	15,185
Legacies receivable	7,755	1,573	9,328
Charitable activities	526	317	843
Other trading activities	1,657	12	1,669
Investment income	256	14	270
Other income	448	-	448
Total income	20,895	6,848	27,743
Expenditure on:			
Raising funds			
Raising funds - Ongoing	5,497	682	6,179
Raising funds - New donor acquisition	758	-	758
Total raising funds expenditure	6,255	682	6,937
Charitable activities			
Goal 1 - Effective treatments	1,250	2,436	3,686
Goal 2 - Responsive care and Support	3,528	794	4,322
Goal 3 - Preventing MS Goal	172	1,081	1,253
Goal 4 - Quality information	3,665	449	4,114
Goal 5 - A strong community, independent lives	4,939	779	5,718
Goal 6 - Supporting families and carers	1,485	140	1,625
Goal 7 - Greater certainty about the future	99	171	270
Total expenditure	21,393	6,532	27,925
Net income / (expenditure) before investments	(498)	316	(182)
Net gains/(losses) on investments	830	(21)	809
Net income / (expenditure) after investments	332	295	627
Transfer between funds	74	(74)	-
Other recognised gains and losses:			
Other recognised gains and losses:	42	-	42
Net movement in funds	448	221	669

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

22. Analysis of net assets between funds

Fund balances at 31 December 2016 are represented by	Unrestricted funds £'000	Restricted & Endowment funds £'000	Total Funds £'000
Intangible fixed assets	211	-	211
Tangible fixed assets	5,382	305	5,687
Investments	14,047	297	14,344
Net current assets	(4,873)	1,999	(2,874)
	14,767	2,601	17,368

23. MSS (Trading) Limited

The Society has a wholly owned trading subsidiary which is registered in England and Wales (company number 02895015). MSS (Trading) Limited raises funds via commercial activities and sponsorship. Any taxable profits made by MSS (Trading) Limited are donated to the Society under Gift Aid.

A summary of the trading results which have been consolidated on a line by line basis are shown below.

MSS (Trading) Limited Profit and loss account	2016 £'000	2015 £'000
Retail		
Turnover		
- Sales to branches	2	4
- Sales to third parties	360	348
	362	352
Cost of sales	(208)	(160)
Gross profit	154	192
Administration	(35)	(38)
Interest payable	-	-
Net profit before taxation and gift aid	119	154
Gift aid donation to Multiple Sclerosis Society	(119)	(154)
Taxation	-	-
Retained profit carried forward	-	-

Called up share capital	2016 £	2015 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	2	2

Notes to Consolidated Accounts (continued)

Year ended 31 December 2016

24. Share Capital

The Society has no issued share capital as it is a company limited by guarantee.

25. Pension funds

Defined Contribution Schemes

The MS Society contributes towards a number of Defined Contribution Schemes. The cost of these schemes is charged to the SOFA and amounted to £690k (2015: £661k). They did not give rise to any provisions/reserves. At the end of the year £77k (2015: £75k) was owed to the pension provider.

Defined Benefit Schemes

At the end of the year £141k (2015: £178k) was owed to the pension provider, this relates to the buy out payment for an historic defined benefit scheme.

26. Operating leases

At 31 December 2016 the group and charity had total operating lease commitments as set out below:

	Land and Buildings 2016 £'000	Other 2016 £'000	Land and Buildings 2015 £'000	Other 2015 £'000
Operating lease payments due:				
within one year	159	271	166	214
within two to five years	365	185	443	236
over five years	180	-	261	-
	704	456	870	450

Lease payments recognised as an expense were £415k (2015:£414k)

27. Monies from the Medical and Healthcare industry

The Society has a policy position on working with the Medicines and Healthcare Products Industry which is available from the Society's website.

Under this policy, the Society will report collaborations and financial contributions over £5,000 received from the Medicines and Healthcare industry.

During 2016 collaborations and financial contributions over £5,000 to the Society were:

	2016 £'000	2015 £'000
Biogen Idec Limited	45	21
Teva UK Limited	23	16
Coloplast Limited	19	-
Genzyme, a Sanofi Company	18	18
Novartis Pharmaceuticals (UK) Ltd	16	12
Roche Products Ltd	15	-

28. International Progressive MS Alliance

The Society is part of the International Progressive MS Alliance which was set up in 2013 to fund grants into progressive MS. The International Progressive MS Alliance consists of MS charities around the world and other interested organisations such as foundations, trusts and corporate entities. The MS Society is a founding member and joined the Alliance as a managing member giving it influence on the research the Alliance will fund. There are five other MS charities who are managing members these are the Associazione Italiana Sclerosi Multipla (Italy), MS Research Australia, Multiple Sclerosis International Federation, Multiple Sclerosis Society of Canada and National Multiple Sclerosis Society (USA).

In addition to managing members there are five other MS charities who are members of the alliance - they represent Belgium, Denmark, Germany, Netherlands and Spain.

Thank you

We want to thank all our donors for their generosity. This includes all trusts and corporations, those that wish to remain anonymous, our local groups and those who have left us a legacy. We would also like to thank our many celebrity supporters and friends for their work in raising both awareness and funds.

Stop MS Pioneers

Richard Astle and Lesley Astle
Mr Charles and Dr Julia Bland
John and Vicki Brice
Miranda Brown
Richard Burns
The Cousin Collective
Lucy Fuller

Tim Jones
The McKeefry Trust
Mr and Mrs Geoffrey S Milton
Michelle Mitchell
The Patricia Baines Trust
The Philip Marsden Family Charitable Trust
Sara Weller

Special thanks to these donors and supporters

Gabrielle Bacon
The Band Trust
Trishna Bharadia
Steve Bradshaw, Worcestershire Golf Club
Captain 2015/16
Bike the UK for MS
Biogen
Yvonne and Duncan Booth
John and Nicola Coldman
Coloplast Limited
Congrex Switzerland Ltd
Kadeena Cox MBE
Alex Deakin
The David and Claudia Harding Foundation
Donald Forrester Trust
Dot Zinc Limited
Sir Vernon and Lady Ellis
Ellis Furniture and Suzi Ellis
Eykyn Maclean Ltd
Mark Franklin
Ivo Graham
Councillor Ray Hassell, Lord Mayor of
Birmingham 2015/16
High Peak Friends Fighting MS
Preeya Kalidas
Michelle Hardwick
Beccy Huxtable
ITV Network Limited
The John Coates Charitable Trust
Tony Johnstone
The Kirby Laing Foundation
Lansdowne Partners (UK) LLP
The Mahoro Charitable Trust
Scott Mills

Stephanie Millward MBE
Morgan Stanley Bank International Limited
National Garden Scheme
Stuart and Marie Nixon
Novartis Pharmaceuticals UK Limited
Odstock Medical Limited
Sir Alan and Lady Parker
Peacock Charitable Trust
Peter Stormonth Darling Charitable Trust
The PIMCO Foundation Europe
The Pixel Fund
Rathbone Investment Management
Paul and Jenny Reid
Roche Products Limited
Russam GMS
Sanofi Genzyme (Genzyme Therapeutics Ltd)
The Schroder Charity Trust
The Schroder Foundation
Myra Simmonds
SWEP International AB
Mr John and Dr Dina Taysom
Teva UK Limited
Tiffany & Co
The Warshaw Family Charitable Trust
Felix and Hugo White and The Maccabees
The William Arthur Weddell Charitable Trust
Sheila Williamson
Janis Winehouse and Richard Collins
Nick and Denise Winsor
Kimberley Wilson
Wazoku

Reference and administrative details

Founder

Sir Richard Cave* KCVO, CB, KCSG, DL

Vice-President

John Walford OBE

Chair

Nick Winser (from Jan 2017)

Hilary Sears (until Dec 2016)

Vice Chair

Ruth Hasnip (from Jan 2017)

Nick Winser (until Dec 2016)

Treasurer

Stuart Secker (from Sep 2016)

Paul Cooper (until May 2016)

Assistant Treasurer

Lucy Fuller (until Dec 2016)

Bankers

Barclays Bank 1 Churchill Place,
London E14 5HP

Auditors

haysmacintyre
26 Red Lion Square,
London WC1R 4AG

Solicitors

DWF LLP

1 Scott Place, 2 Hardman Street,
Manchester M3 3AA

HowardKennedyFsi LLP

19 Cavendish Square,
London W1A 2AW

Investment Managers

Rathbones Investment Management

1 Curzon Street, London
W1J 5FB

*Deceased

Key management personnel

Trustees

Jason Atkinson

Charles Bland

Suzi Clay

(until March 2016)

Paul Cooper

(until May 2016)

Marsali Craig

(until Dec 2016)

Esther Foreman

Lucy Fuller

(until Dec 2016)

Christine Gibbons

John Grosvenor

Ruth Hasnip

Karen Jones

(from Jan 2017)

Gideon Schulman

(until Dec 2016)

Hilary Sears

(until Dec 2016)

Stuart Secker

(from Sep 2016)

Anne Shinkwin

Ceri Smith

(from Jan 2017)

Nick Winser

Chief Executive

Michelle Mitchell

Executive Directors

Paul Amadi

Executive Director of Engagement
and Fundraising

Vicky Annis

Executive Director of Finance,
Strategy and Impact

Ed Holloway

Executive Director
of Services and Support

John Palmer

Executive Director of Marketing and
Communications (until Dec 2016)

David Prince

Executive Director of People

Nick Rijke

Executive Director of Policy and
Research

Rosemary Watt-Wyness

Executive Director of Services and
Support (until Jan 2016)

Country Directors

Northern Ireland

Patricia Gordon

Cymru / Wales

Lynne Hughes

Scotland

Morna Simpkins

Main Offices

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