



# **Multiple Sclerosis Society**

## **2017 Annual Report and Accounts**

# Annual Report and Accounts 2017

## A message from our Chair

It's amazing to see what can happen when you – the MS community – come together for positive change. I am delighted to look back at what we've achieved together and reflect on what we can achieve in the future as, together, we move closer to making our vision for a world free from the effects of MS a reality. Together, we'll continue to be there for people with MS, offering friendship and support when it's needed most.

In 2017 a new MS treatment, cladribine, was made available on the NHS (and in early 2018 it was made available on the NHS in Scotland). We also took some giant steps forward for progressive MS as ocrelizumab became the first treatment licensed in Europe for people with early primary progressive MS.

We campaigned for change and spoke up on key issues, including the impact of Personal independence Payment (PIP) on people with MS.

Thanks to the many supporters who helped to raise £28.9m to further our work, which is incredible. It's thanks to you that we can provide services for people living with MS and their families and carers. The money you raise also funds our innovative research, which took some exciting steps forward in 2017. For example, we developed the world's first partnership to fund a groundbreaking clinical trial to find out if simvastatin can be used to treat secondary progressive MS. In 2017, we have seen an increase of almost 13% in the amount we are investing in ensuring that people with MS have access to effective treatments. This means that £4.4m has gone towards the goal that people living with MS told us was a priority.

We know 2017 wasn't without its challenges; the health and care system continues to face significant financial and capacity pressures, and access to treatment and support still varies across the UK. People with MS will continue to face challenges in the future, but with your help, we'll continue to fund life-changing research and campaign for better health, social care and welfare support.

As a charity, we, more than ever, need to remain agile, vigilant and have financial security – adapting and changing, addressing hard questions on impact and compliance, and ensuring that we remain relevant in the future. We will continue to ensure our plans reflect what is important to people living with MS, that we embrace new technologies and that we have robust governance in place to honour the trust the MS community invests in us with their donations and time.

And finally, as many of you will know, Michelle Mitchell, our Chief Executive, will be leaving the MS Society in 2018 to take up the position of CEO of Cancer Research UK. Michelle has been with us since 2013 and has made a huge contribution to our charity. Thanks to her vision, energy and expertise we have made great strides towards our mission through a renewed focus on the things that matter most to people with MS. We've benefited greatly from Michelle's determination to increase our impact and make every penny of our donors' money count by working creatively, efficiently and at pace.

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Your strength, resilience and commitment makes our work possible. Thank you so much for your continuing support.

Nick Winser, Chairman

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## Our vision

### Our vision is a world free from the effects of MS.

To make our vision a reality, we're working towards seven goals that will transform life for everyone living with MS.

People living with MS are at the heart of everything we do. Our seven goals are prioritised according to what you've told us matters most, and we work with you to achieve real change.

We made some great strides towards achieving our goals in 2017. With your support in 2018, we'll do even more to help everyone with MS live their best possible life and get the care and support they need.

[mssociety.org.uk/strategy](http://mssociety.org.uk/strategy)

## 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.

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### Progress towards achieving our goals and our impact in 2017

#### 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.**

##### Campaigning for access to treatment

Everyone with MS should have access to effective treatments that are right for them. So, when Belfast Health and Social Care Trust (BHSCT) said it planned to defer access to disease modifying therapies (DMTs) for people with MS across Northern Ireland, we took urgent action.

We mobilised over 5,000 people from across the UK to sign our petition asking BHSCT to reconsider their plans. People living with MS raised their concerns at public meetings, met representatives from all political parties, and spoke in the media about how the plans would affect the MS community. In October, BHSCT announced it had dropped the plans.

The MS Society also played a part in ensuring a new treatment for relapsing-remitting MS (cladribine) became available on the NHS; this will hopefully be throughout the UK (Northern Ireland was not confirmed at time of writing). We supported people with MS to share their experiences of the treatments directly with decision-makers, helping achieve a positive recommendation that the NHS should pay for them.

For some people with MS there's still no effective treatment for their pain and muscle spasms. Cannabis for medicinal use could help. We reviewed the evidence and spoke to people with MS and medical experts. 72% of people with MS we asked said cannabis for medicinal use should be legalised. We're supporting our community by calling for changes in the law.

[mssociety.org.uk/campaigns](https://mssociety.org.uk/campaigns)

##### Trials bring hope for new treatment options

In 2017, we took a huge step towards finding effective treatments for progressive MS through our Stop MS Appeal. We are very proud to be supporting the MS-STAT2 trial in partnership with the National Institute of Health Research and the National MS Society (USA) worth a total of £6m and testing simvastatin in people with progressive MS. If successful, it could be among the first treatments licensed for this type of MS. The £6 million trial began in 2017 and, over the next six years, more than 30 trial centres and over 1,000 people will take part – the MS Society contribution was £1.2m.

Our support and investment has also been crucial in leveraging \$10m of funding into the DeliverMS trial jointly run out of the University of Nottingham and Cleveland Clinic to understand whether early treatment with 'aggressive' DMTs compared with some of the 'less aggressive' DMTs is more effective. The trial is being funded by the Patient-Centred Outcomes Research Institute in the USA and will start in 2018.

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Funding has been obtained or leveraged for these trials through our Stop MS Appeal where we want to transform our level of investment in MS research (see below after goal 7).

[mssociety.org.uk/research](http://mssociety.org.uk/research)

- £6 million simvastatin clinical trial started for secondary progressive MS
- Over 5,000 people helped to stop access to DMTs being delayed
- 72% of people with MS believe cannabis for medicinal use should be legalised

### 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.**

#### Speaking out for social care reform

1 in 3 people living with MS in England are not getting the support they need with everyday tasks like washing, dressing and eating. In 2017, we launched a campaign and published a report calling on the UK Government to end this crisis in England's social care system. We achieved national media coverage and mobilised almost 1,500 people to email their MP – reaching 90% of all MPs in England. And we're keeping adult care reform high on the political agenda; thanks to this pressure from the MS community and others, the UK Government finally committed to setting out its proposals for reform in England by summer 2018.

[mssociety.org.uk/end-care-crisis](http://mssociety.org.uk/end-care-crisis)

#### Providing information and support when you need it

In Scotland, we launched our new Living Well with MS courses for people newly diagnosed. We ran 14 courses across Scotland, with 89 people attending. After the courses, 62 people registered to stay in touch with each other through an online peer network.

[mssociety.org.uk/living-well-ms-courses](http://mssociety.org.uk/living-well-ms-courses)

In September 2017, we launched My MS, My Rights, My Choice in Wales, with funding from the Big Lottery Fund (Wales) and the Masonic Charitable Foundation. This service helps people with MS navigate health, social care and welfare systems – which are complex and fragmented. The service includes support with claims for Personal Independence Payment (PIP) as people make the transition to the new welfare system. By the end of the year, we had supported just over 100 people.

Our Helpline and MS Support volunteers continued to provide vital support and information to people affected by MS when they needed it. In 2017, our Helpline

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answered more than 18,000 enquires from people affected by MS. And, across the UK, our 529 MS Support volunteers, working through our local volunteer run groups, responded to an estimated average of 3,000 enquiries from people with MS each month.

[mssociety.org.uk/ms-helpline](https://mssociety.org.uk/ms-helpline)

[mssociety.org.uk/ms-support/local-support-services](https://mssociety.org.uk/ms-support/local-support-services)

### 3. Preventing MS

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

#### Working towards a world free from MS

In 2017, we continued to fund research into the causes of MS to help us understand how we might, one day, prevent it. Although we don't know for sure what causes MS, research has shown that genetic, environmental and lifestyle factors can all play a part.

We completed a review of many lifestyle risk factors, such as smoking, and health options, such as having vaccines. This will help us provide information on reducing the risk of developing MS, which is clearly backed up by evidence.

We also began building a new collaboration with the Juvenile Diabetes Research Foundation and Arthritis Research UK, called Connect Immune. This partnership aims to explore the root causes of individual diseases by encouraging research that works across, or learns from, other autoimmune conditions. The partnership will formally launch in 2018.

Research projects funded by us looking into key infections and genes that influence the risk of MS were presented at a number of national and international conferences.

[mssociety.org.uk/research](https://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.**

#### Empowering people to make informed decisions

Our award-winning information helps people living with MS to make decisions about treatment and care. It's easy to digest and up-to-date. We make information available to our community through a range of booklets, our website, social media and information events.

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In 2017:

- Three of our booklets were highly commended by the British Medical Association Patient Information Awards.
- Our information resources were downloaded 55,000 times (although this is a lower figure than 2016, we believe this is due to a change in how we analyse downloads, rather than an actual reduction in our reach).
- Nearly 9,000 people shared information and supported each other through our online forums.
- Almost 1,000 people attended 11 Living with MS information days. We also held research and benefits awareness talks across the UK.
- Nearly 3 million users visited our website (note: we've changed the way we calculate this figure from previous years).
- We had more than 110,000 followers on social media, through Facebook, Twitter, Instagram and LinkedIn.
- We launched MS Active Together, an information and health promotion campaign on the benefits of physical activity, which received 43,500 views on Facebook, 10,300 views on Twitter and 11,000 views on YouTube.

We had hoped to launch a new website in 2016 but continued to face internal challenges on this project in 2017. During the year, we changed our approach to ensure that we developed an infrastructure that could provide an informative personalised experience to the entire MS Community and the first phase of this project will be launched in April 2018.

### 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.**

**Campaigning for a welfare system that supports everyone who needs it**

Our MS: Enough campaign asks the UK Government for a welfare system that makes sense for people living with MS. We also ask for those who can work to get the employment support they need.

In Scotland, during MS Week, our key message was raising awareness of the role of MS nurses and why they are important. This was in light of the recent issues in Lanarkshire and the potential for similar issues elsewhere. As a result of engaging with MSPs and strong media coverage, MS nurse provision in Lanarkshire was increased from one to 2.6.

In the run up to the General Election in May 2017, we worked together with 80 other charities as part of the Disability Benefits Consortium. Over 15,000 people signed our open letter, calling for the next UK Government not to cut disability benefits.



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In August, we shared new data showing how Personal Independence Payment (PIP) just isn't working for people with MS. The UK Parliament's Work and Pensions Committee launched an inquiry into PIP and Employment and Support Allowance (ESA) assessments in the autumn. We supported one of our campaigners to give evidence to the committee.

Changes to stop ESA reassessments for people with severe, life-long conditions finally came into effect in September. As something we've called for through MS: Enough, this is a victory for everyone who has campaigned with us.

[mssociety.org.uk/msenough](https://mssociety.org.uk/msenough)

### Strengthening our local volunteer run groups

Together, our local volunteer run groups help make sure no one has to face MS alone. Across the UK, our 270 volunteer run groups provide over 1,200 different services to around 13,000 people. They offer a wide range of activities, as well as friendship, information, emotional support and grant giving.

In 2017, our local volunteer run groups helped people living with MS to get physically active. They offered more than 200 exercise classes – from yoga to boccia – and other activities in their communities. They also provided support and information on financial security, setting up more than 30 advice partnerships to help those who needed financial information. The number of volunteers providing a local MS Support service increased by 30% from 406 to 529, with 226 groups now offering this service.

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

[mssociety.org.uk/near-me](https://mssociety.org.uk/near-me)

## 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 supportive communities

Being there for someone with MS is an incredibly valuable thing to do, but it can be challenging.

We want to build communities where everyone affected by MS gets the support they need. During Carers Week 2017, we attended a parliamentary event with two people

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who care for loved ones with MS. They had the chance to speak to MPs about their experiences and the need for carer-friendly communities.

Through our campaign to end the care crisis in England, we highlighted the difficulties unpaid carers face within the social care system and called on the UK Government to create a system that works for everyone in England. This was part of the pressure that led the UK Government to commit to publishing a cross-Government action plan to improve support for carers by April 2018.

We also bring families and carers together to have fun and make friends. On 8 June, we held a Family Day at Ormeau Park in Belfast, with children's entertainment, live music and a barbecue. Belfast City Council supported the event.

We updated our information for family and carers, and our new booklet 'For family and friends: when someone close to you has MS' was highly commended by the British Medical Association Patient Information Awards

And we awarded 87 National Carers Grants to help carers improve their wellbeing, learn new skills and find ways to relax.

[mssociety.org.uk/carers](https://mssociety.org.uk/carers)

### 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.**

#### Investing in research to show how MS will progress

One of the hardest things about living with MS is its unpredictability. When someone is diagnosed, it's currently not possible to say how often they might have a relapse, how quickly their MS will progress or what parts of their body will be affected.

In 2017 we continued to fund research that aims to give people with MS greater certainty about how their condition will progress. New findings by our researchers have suggested that Magnetic Resonance Imaging (MRI) scans can help predict how MS will progress, as well as being used for diagnosis.

To plan for the future, people with MS and their carers also need greater certainty about work and finances. Our MS: Enough campaign calls for a fairer welfare system and asks the government to give people with MS who can work the employment support they need.

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### Stop MS Appeal

Through our Stop MS Appeal we want to transform our level of investment in MS research and deliver a world-leading trials programme to test multiple treatments for MS at the same time: it's the quickest and cheapest way to find out what works. We have a plan to Stop MS, we have the best scientists in the world working on it, this is our once in a generation chance.

We have already made excellent progress in the early stages of our fundraising campaign both in securing private funds, but also in engaging others to invest directly in our research plans. This led to significant investment in the MS STAT2 and the DeliverMS trials, which began in 2017 and 2018 respectively.

In 2018 we will be putting together final plans to inspire our entire MS community to support our Stop MS Appeal. Together we can Stop MS.

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### Our people

**We have a vital and bold vision: a world free from the effects of MS. Our mission is to enable everyone affected by MS to live life to their full potential and secure the care and support they need, until we ultimately find a cure. That mission puts our people right at the heart of everything we do, whether members, employees or volunteers, and therefore they are the key to our success.**

**We have around 30,000 members, 5,500 volunteer roles and 300 employees, and we'd like to thank all of them for the vital contribution they made in 2017 in shaping our work and helping make our goals a reality.**

### Our volunteers

Volunteers are the cornerstone of the MS Society – they make significant contributions to our activities: fundraising, providing us with expert professional advice, operating our MS Helpline, blogging on our website, supporting individuals affected by MS, delivering services, bringing people affected by MS together through our local volunteer run groups and acting as Trustees and council members. 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 volunteer run groups.

In 2017 we have improved our support for volunteers in a variety of areas. We have introduced new volunteer role descriptions for all roles, piloted a new online recruitment system for roll out in 2018, refreshed our volunteer recognition resources and improved the data we hold about our volunteers. We produced a new volunteer welcome booklet, welcome and induction checklists, resources supporting volunteer fundraising and campaigning, and significant updates in our 'Group Handbook' for our volunteer run groups. We also embarked on the process for achieving the Investing in Volunteers quality standard in 2018. We are pleased that our 2017 Volunteering Survey showed a small increase in overall volunteer engagement but the survey also showed we need to improve our communications; ensuring that we have quick, targeted and interactive communications will be a focus in 2018.

### 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.

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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](https://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.

[mssociety.org.uk/ambassadors](https://mssociety.org.uk/ambassadors)

### Our staff

Our staff team is committed to bringing about positive change for people living with MS. They are values-driven people who are motivated by, and enjoy, making a big difference to people with and affected by MS.

The MS Society is committed to being a fair charity and a fair employer. We want equality of treatment for people with and affected by MS and we want a workplace where everybody has equality of opportunity. Our diversity vision is that 'we should act inclusively, upholding equality law, treating everyone fairly and seeking to provide a culture which delivers the best outcomes for the diverse society in which and for whom we work'.

We know though that we can do better and continue to improve when it comes to equality, diversity and inclusion and we developed an internal assessment of our current approach based on our own insights and that of our Equality, Diversity and Inclusion (EDI) specialists. We commissioned them to undertake an internal review of our current work which will inform our EDI strategy.

The strategy will ensure that we continue to create a diverse workforce, volunteer base and culture, enabling all different kinds of people to thrive and have the same chances to contribute, share and succeed. We will take full advantage of that diversity to make better progress for people with and affected by MS.

The MS Society's staff turnover rate for 2017 was 23%. This compares with the not-for-profit sector average of 27%.

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We pay around the median for the sector and review our total reward package annually as people's lives, and therefore their benefits preferences, change. The staff survey for 2017 showed that the satisfaction score of 62% for reward is higher than the median of 51% for the charity sector.

This year saw the introduction of the My Work / Life Solutions portal to our benefits offering. This portal provides simplified access to employee benefits such as childcare vouchers, and discounts on major brands. A cycle to work scheme was also introduced in 2017.

Our new Learning and Development Strategy was completed and will lead to more effective learning from experience and from peers as well as the development of new learning opportunities, including digital learning, over the next few years. The strategy is aimed at ensuring we have the right staff with the right skills and experience and that we are able to attract great people and retain them.

We carried out our bi-annual staff survey in May, with a response rate of 83%. Our engagement index score improved from 65 in 2015 to 70 in 2017. Workshops were held to determine cross-organisational objectives and priorities, which form our improvement plan.

Re-enrolment in our pension scheme took place this year. We also reviewed our governance in relation to pension arrangements and a 'health check' of our arrangements showed that we are in good shape and providing a good solution to our staff. We also reviewed our arrangements for life insurance in 2017 with a slightly increased benefit to staff for a lower cost.

### Our supporters and our commitment to them

We are hugely grateful for the enormous generosity of all our supporters and want each and every one of them to have confidence in us. This is a period when probing questions are being asked about fundraising practice across the sector in the UK but, at the MS Society, we have always believed that supporting us 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 have independently audited our fundraising practice and measured it against best practice. We are organisational members of the Institute of Fundraising and the Fundraising Regulator and adhere to the Fundraising Preference Service that was launched in 2017.

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Given the complexity of our fundraising programme, we continue to retain the services 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 2017, 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.
- Deliver our overseas challenge events.
- Design our appeal materials.

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 interactions 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 aim for the highest standards in our fundraising practice, there have been occasions during the year when we did not meet the standards our supporters expect. In 2017 we received 57 complaints which were reportable to the Fundraising Regulator about our fundraising activities. In 2016 this figure was 62 so this represents 8% decline in the volume of complaints.

The complaints that we receive are dealt with following our Compliments, Comments and Complaints procedure. For complaints received, our Supporter Care Team review these each month throughout the year and, where needed, will use the information and feedback to learn from mistakes made and make improvements.

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### Finance Review

#### Income

We are delighted that through the extraordinary generosity of our supporters and the MS community we have virtually maintained the 2016 income level in 2017 - income in 2017 was £28.9m as opposed to £29.0m in 2016. This is a good achievement considering the challenging external environment with increasing regulatory requirements and negative press coverage over charity fundraising.

#### Legacies

In 2017 we received over £11.5m from generous supporters who left us gifts in their wills, which was £0.3m higher than 2016. For the second consecutive year we have been grateful to receive one particularly large legacy, meaning legacy income has maintained the high 2016 level. We are very grateful to everyone who remembered us in their will.

#### Donations

Once again 2017 saw individuals, friends and organisations undertake a vast range of different activities to raise funds for our vital work. However, donated income fell from £14.1 million in 2016 to £13.4 million in 2017.

Partnership and fundraising income fell £0.6m to £2.4m (£3.1m) due to some significant one-off donations received in 2016 and a focus on a major fundraising event (see trading activities below). Community and events fundraising also fell slightly from 2016 as some of our more established products have started to decline before our exciting new products are fully established.

#### Income from charitable activities

Income rose 21% to £950k primarily as a result of the receipt of funds from the Big Lottery Fund and the Masonic Charitable Foundation for the 'My MS, My Rights, My Needs' project in Wales.

#### Trading activities

The Society held one of its biggest ever fundraising events in the form of a tribute concert to the late Jacqueline du Pré, a talented cellist who had MS. The concert was broadcast on Classic FM and was hugely successfully raising most of the £1m from centrally organised fundraising events in 2017; this income was in addition to the income received in 2016 in support of this event. The event was held as part of the Society's Stop MS Appeal, which is looking to raise over £100m over 10 years.

Income from the trading company fell but the overall surplus rose. The fall in income was due to less corporate sponsorship received than in 2016 but expenditure also fell as MS Awards was no longer accounted for under trading activities.



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### Leveraged income

The MS Society can, on occasions, connect donors directly with research programmes to help secure funding for research projects which contribute to our vision of stopping MS. Whilst not recorded as income in the Society's statutory accounts, these are additional funds the MS Society has secured to be spent on MS research. In 2017, donors and researchers agreed that the MS Society played an integral part of leveraging £4.7m of funds (this leveraged income does not appear in the MS Society's financial statements).

### Expenditure – changes from 2016

Overall expenditure fell in 2017 reflecting the drop in income. Expenditure was £28.8m compared with £29.5m in 2016.

### Generating funds (2017: £7.4m, 2016: £7.4m)

Costs remained similar to 2017.

### Goal 1 – Effective treatments (2017: £4.4m, 2016: £3.9m)

Most of the expenditure for this goal is represented by research grants and associated costs. A major new clinical trial on simvastatin was co-funded by the Society in 2017, costing the MS Society £1.2m, resulting in the increase in spend for this goal but with fewer other research grants being attributed to this goal.

### Goal 2 – Responsive care and support (2017: £4.7m, 2016: £5.0m)

We awarded £0.9m in grants to achieve this goal. The value of the support grants awarded to individuals was £0.2m less than 2016. The income our volunteer run groups generated in 2017 decreased, impacting on the amount available to award in grants.

There was also a slight drop in research grant expenditure in this area (2017: £203k, 2016: £359k) – expenditure will vary year on year depending on the quality of the research grant applications for funding we receive.

We maintained our spend in influencing policy, helpline and other areas of support.

### Goal 3 – Preventing MS (2017: £0.8m, 2016: £ 1.0m)

Most of the money spent on this goal is through research grants we award and the amount spent can vary year on year. Part of the reason for the reduction in spend in 2017 was because of £74k of write backs of old research grants.

### Goal 4 – Quality information (2017: £3.8m, 2016: £4.2m)

The award-winning quality information service provided by the Society has been maintained, but through some restructuring and reassessment of priorities, we have been able to reduce spend by £0.4m.

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### **Goal 5 – A strong community, independent lives (2017: £5.7m, 2016: £5.7m)**

Over half of the spend on this goal is through our local volunteer run groups or on supporting those groups. Expenditure was maintained in this area in 2017.

### **Goal 6 – Supporting families and carers (2017: £1.4m, 2016: £1.6m)**

The drop in expenditure for this goal was because of fewer individual support grants being awarded and old research grants being written back.

### **Goal 7 – Greater certainty about the future (2017: £0.5m, 2016: £0.7m)**

The spend in 2017 was mostly research grants awarded, in particular one new grant for £123k on the progression of MS being conducted at the University College London. The drop in spend is because of an MS Life conference in 2016, which wasn't repeated nor planned in 2017.

### **Support costs (2017: £4.2m, 2016: £4.1m)**

Support costs were held at a similar level to 2016 despite increased regulatory pressure (preparation for GDPR requirements going live in May 2018) and the need to invest in digital technology. We are constantly looking at ways we can operate more efficiently and know there are areas within our operating model that need to be reviewed and automated, carried out in different ways and strengthened. Therefore we have agreed to start a change programme in 2018 to ensure that we are fit for the future with an efficient, lean operating model maximising the potential of digital wherever appropriate.

### **Our reserves**

Primarily reserves are held to enable the continuity of services and activities that we undertake to meet our strategic goals both now and in the future.

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 crystallising resulting in unplanned expenditure
- to take advantage of 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.

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- (2) A designated fund for research. This fund was created to build reserves to enable the commitment of expenditure towards our clinical trials programme.

The Society has total funds of £19.2m (2016: £17.4m) with £5.5m (2016: £5.6m) within the designated fund for fixed assets, £5.9m (2016: £3.6m) held in the designated fund for research, £7.8m (2016: £5.5m) held in general funds and £61k (2016: £2.6m) in net restricted funds.

Included in the £61k of restricted funds are negative restricted research fund balances totalling £7.0m (2016: £3.4m) in the expectation that specific funds will be received for these projects. We also held £3.5m (2016: £2.3m) in general restricted research funds or where the restriction was for a broad area of research, which could be used to offset the £7.0m negative balances. Given how much we raise each year in restricted research donations (£4.4m million in 2017) it is highly likely the deficit in fund balances could be made up from donations received in 2018. However, if this didn't happen, we also have a designated fund for research that could be used to make up the deficit (2017: £5.9m 2016: £3.6m).

In calculating reserves held, we include the balance of the designated fund for research after any negative restricted research balances (after taking into account any unutilised general restricted research funds) as these funds are available to Trustees to be spent as they see fit. Restricted funds are not included in reserves as these funds can only be spent in line with what the donor has specified.

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 included in reserves.

At the 31 December reserves held were £10.2m (2016: £7.9m), equating to 16.8 weeks' reserves (2016: 14.75 weeks) which was within the reserves policy level (because of the designated fund for research).

### 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.

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### Investment policy

Rathbone Investment Management Limited are the MS Society's investment managers.

In 2017, 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 13.9% against a benchmark of 6.1%.

The oversight of our investment funds had been delegated to a sub-committee of the Audit, Risk and Finance Committee. During 2017, the Audit, Risk and Finance Committee reviewed its approach to their oversight of the investment funds and concluded that, going forward, they would have direct oversight rather than delegate it to the 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 2017 of £201,000 (2016: £226,000) from the investment portfolios and a net investment gain of £1,801,000 in 2017 (2016: £1,704,000).

Our socially responsible investment position prohibits direct investment into tobacco companies and provides that the investment managers should continuously review the indirect investments into tobacco to ensure that only a diminutive level is held (no more than 1%).

### 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. We awarded £1.2m in support grants in 2017, which were either funded by local donations and administered through our volunteer run groups or centrally managed.

#### 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 as a source of considerable

## Annual Report and Accounts 2017

expertise. We committed over £4.7m in research grants in 2017 (this was offset by £400k of write backs of old research grants).

### 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.

The Board concentrates its efforts on ensuring the most serious risks are being managed effectively; those which have a high likelihood of occurring and would have a severe impact on the achievement of our seven core goals. During 2017, the Board developed risk appetite statements around the key risk areas. These statements consider the MS Society's strategy, priorities, goals, activities and controls and articulates the parameters within which the Board feels the overall portfolio of risks are appropriate, balanced and sustainable.

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 and are within the Board's risk appetite. 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.

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. Senior management report on key risk areas quarterly to 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. Internal audit carry out independent reviews across the MS Society based on a three-year audit plan; these reports comment on the systems of internal control.

We are confident the risk framework and methodology described above 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 volunteers and staff**

We look to retain volunteers and staff by ensuring they enjoy contributing to our goals, feel supported and have opportunities to develop. We have people and volunteer strategies which will continue to be implemented in 2018; these strategies include attaining the Investors in Volunteers quality mark by the end of the year. Our new Equality, Diversity and Inclusion Strategy will help us create a diverse workforce and

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culture, ensuring that everyone can thrive and have the same chances to contribute, share and succeed.

We have several ways to identify areas for improvement including volunteer and staff surveys, CEO briefings, meetings and forums. From the 2015 staff survey, the leadership team focused on improving the engagement scores and it is encouraging to see a small increase in engagement from both the staff and volunteer surveys carried out in 2017. These surveys also identified areas of improvement and action plans have been developed to address the key areas and provide a focus for the leadership team in 2018. We have also recently reviewed how we manage safeguarding risks and reissued our Whistleblowing policy to all staff and volunteers. During the year, no reports were received under the Whistleblowing policy.

There are internal communications mechanisms aimed at engaging, motivating and informing staff and the new staff intranet, Axon, continues to improve these channels.

The Local Networks Programme, which we launched in 2016, covers volunteer roles in the volunteer run group network and aims to attract more volunteers and improve volunteer experience. Significant parts of this programme were implemented in 2017.

### **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 and are developing a new suite of individual and community fundraising products. We have agreed that, going forward, it is important 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. This is a guiding principle in our new marketing strategy which was agreed in 2017 and is being implemented in 2018.

With a changing external environment and developing strategies and plans, including the need to collaborate on large, long-term research projects, we recognise we need to further understand our financial model as it evolves and improve our forecasting and modelling in 2018.

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

The health and care system continues to face unprecedented financial, workforce and capacity challenges. The quality of, and access to, support remains highly variable. In 2017, we developed an influencing strategy 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. In 2018 we will develop a new campaign on care and support.

The welfare system also continues to face challenges. In 2018 we will continue to work with the MS community to campaign for a fairer welfare system for people with MS and provide financial assistance through our grants programme.

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Ensuring regulatory compliance across a dispersed network of staff and volunteers continues to require appropriate resourcing. We will continue to have procedures in place to identify and understand the changing regulatory environment – in particular, in 2018, General Data Protection Regulations (GDPR) and fundraising regulations – and ensure that policies, controls and processes adequately reflect the changes. All the relevant individuals will receive appropriate information and training on all compliance requirements.

Recent high profile issues have resulted in the reputation of charities being damaged; it is too early to quantify what, if any, the implications will be for the MS Society but we will continue to build and value the relationships we have with the whole MS community, maintaining and improving trust and strengthening collaboration.

### Our plans for 2018

The 2018 plan builds on the progress we have achieved so far to improve the lives of people living with MS. To support this we have identified the following key areas in 2018 for us to progress to have an even greater impact for people with MS:

#### **i. Developing personalised life-long support to people with MS including:**

- Developing a new service offer and better experience for people newly diagnosed with MS, enabling us to form life-long relationships at the point of diagnosis
- Providing a health coaching service, supporting people to identify and achieve meaningful goals
- Reflecting the ongoing escalation of need, we will develop a new service to support people with MS to maintain and improve their financial security
- Supporting individuals to develop and maintain healthy behaviours, with a focus on supporting with people with MS to take up and maintain physical activity, stop smoking, and make informed decisions about DMTs through integrated content marketing campaigns and information, to reach different segments of our community.

#### **ii. Improving access to effective treatments**

Improving access to effective treatments through: behaviour change campaigns, continued support to people with MS to make more informed decisions about treatments, encouraging professionals to work with people with MS and share prescribing practice among their peers, seeking improvements to prescribing and health service data, and influencing relevant commissioning policy and practice within the health system.

#### **iii. Using the research programme to better support the plans and objectives across the organisation**

A priority for 2018 will be the re-alignment of our care and services research programme to ensure we are producing evidence and research which supports our ability to influence the transformation of care within the current health and care system, as well as our own services.

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### **iv. Look to redouble our efforts in raising monies for research**

We have already made excellent progress in the early stages of our fundraising campaign both in securing private funds, but also in engaging others to invest directly in our research plans.

### **v. Ensuring we have a lean, efficient operating model**

To help us achieve a greater impact for people living with MS, we will have an organisational focus on how we work in particularly in the following six categories:

- Focusing on the differing needs and experiences of the MS community
- Utilising data and insights
- Evidencing our impact
- Using digital in transforming the way we work
- Ensuring we are as efficient as possible
- Optimising our delivery and enabling models



## Annual Report and Accounts 2017

### 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 SC041990.

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 minority can be appointed by the Board. 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.

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.

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### 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 and its fundraising activities, ensuring the financial viability of the charity, efficient, effective and proper use of its resources, safeguarding its assets and compliance with fundraising legislation and best practice. 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.

**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 senior managers who manage our staff and volunteers.

### Offices and our volunteer run groups

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 volunteer run groups:

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

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### 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 our 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, providing equal access to learning, ensuring equal opportunity for promotion, tackling discrimination and removing access barriers, where reasonably practicable to do so.

#### **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' meeting papers, which are on our intranet. A joint negotiating and consultation committee — formed of union representatives, staff representatives and members of senior management — meets to discuss staff and organisation-wide issues.

All managers are told to 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 have a 'Learning and Development Group' made up of staff representatives who have been instrumental in developing our strategy for learning.

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

- Have a detailed job evaluation process which is then benchmarked against Croner Charity Rewards.

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- Aim to pay salaries at the median of charity sector salaries. We do not look to compete with private or public sector salaries.
- All staff are paid the living wage (or above) as defined by the Living Wage Foundation.
- Currently pay a dispersion ratio of approximately 3:1 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 2017 and in planning activities for 2018.

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## 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.

## **Annual Report and Accounts 2017**

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 2018

## **Independent auditor's report to the members and trustees of Multiple Sclerosis Society**

### **Opinion**

We have audited the financial statements of Multiple Sclerosis Society for the year ended 31 December 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2017 and of the group's and parent charitable company's net movement in funds, including the 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Use of our report**

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.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement, set out on page 28, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report and the Chair's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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' 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' Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charity Accounts (Scotland) Regulations (as amended) require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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 Auditors

10 Queen Street Place, London EC4R 1AG

## Consolidated Statement of Financial Activities (SOFA) (incorporating an income and expenditure statement)

Year ended 31 December 2017

	Note	Unrestricted funds	Restricted funds	2017 Total	2016 Total
<b>Income from:</b>	<b>5</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Donations		9,563	3,863	13,426	14,078
Legacies receivable		9,486	2,059	11,545	11,233
Charitable activities		488	462	950	787
Other trading activities		1,669	934	2,603	2,517
Investment income		206	1	207	278
Other income		121	-	121	130
<b>Total income</b>	<b>5</b>	<b>21,533</b>	<b>7,319</b>	<b>28,852</b>	<b>29,023</b>
<b>Expenditure on:</b>	<b>6</b>				
<b>Raising funds</b>					
Raising funds - Ongoing		5,552	1,267	6,819	6,593
Raising funds - New donor acquisition		588	-	588	848
<b>Total raising funds expenditure</b>		<b>6,140</b>	<b>1,267</b>	<b>7,407</b>	<b>7,441</b>
<b>Charitable activities</b>					
Goal 1 - Effective treatments		669	3,767	4,436	3,858
Goal 2 - Responsive care and support		3,913	832	4,745	5,010
Goal 3 - Preventing MS		(80)	895	815	1,048
Goal 4 - Quality information		2,603	1,191	3,794	4,154
Goal 5 - A strong community, independent lives		4,438	1,225	5,663	5,679
Goal 6 - Supporting families and carers		1,275	128	1,403	1,615
Goal 7 - Greater certainty about the future		32	507	539	726
<b>Total expenditure</b>	<b>6</b>	<b>18,990</b>	<b>9,812</b>	<b>28,802</b>	<b>29,531</b>
<b>Net income/(expenditure) before investments</b>		<b>2,543</b>	<b>(2,493)</b>	<b>50</b>	<b>(508)</b>
Net gains on investments	<b>15</b>	1,792	9	1,801	1,704
<b>Net income/(expenditure)</b>		<b>4,335</b>	<b>(2,484)</b>	<b>1,851</b>	<b>1,196</b>
<b>Transfers</b>		<b>55</b>	<b>(55)</b>	<b>-</b>	<b>-</b>
Other recognised gains and losses		(7)	-	(7)	15
<b>Net movement in funds</b>		<b>4,383</b>	<b>(2,539)</b>	<b>1,844</b>	<b>1,211</b>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<b>14,769</b>	<b>2,600</b>	<b>17,369</b>	<b>16,158</b>
<b>Total funds carried forward</b>	<b>20</b>	<b>19,152</b>	<b>61</b>	<b>19,213</b>	<b>17,369</b>

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

Restricted funds includes endowment funds of £308k (2016: £299k) - see note 20 for an analysis. All activities above were from continuing activities.

## Consolidated Balance Sheet

31 December 2017

	Notes	Consolidated		Charity	
		2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Fixed assets</b>					
Intangible assets	12	467	211	467	211
Tangible assets	13	5,282	5,688	5,282	5,688
Investments	15	16,288	14,344	16,288	14,344
<b>Total fixed assets</b>		<b>22,037</b>	20,243	<b>22,037</b>	20,243
<b>Current assets</b>					
Debtors	17	3,770	2,913	3,799	2,924
Investments		2,000	2,000	2,000	2,000
Cash at bank and in hand		1,886	1,656	1,804	1,600
<b>Total current assets</b>		<b>7,656</b>	6,569	<b>7,603</b>	6,524
<b>Liabilities:</b>					
<b>Creditors:</b> Amounts falling due within one year	18	9,570	9,443	9,517	9,398
<b>Net current liabilities</b>		<b>(1,914)</b>	<b>(2,874)</b>	<b>(1,914)</b>	<b>(2,874)</b>
<b>Total assets less current liabilities</b>					
		20,123	17,369	20,123	17,369
Creditors: Amounts falling due after more than one year	19	910	-	910	-
<b>Total net assets</b>	20	<b>19,213</b>	<b>17,369</b>	<b>19,213</b>	<b>17,369</b>
<b>Funds</b>					
Endowment funds	20	308	299	308	299
Restricted income funds	20	(247)	2,301	(247)	2,301
Unrestricted funds					
- Designated for intangible & tangible fixed assets		5,453	5,593	5,453	5,593
- Designated for research (Stop MS Appeal)		5,877	3,639	5,877	3,639
- General funds		7,822	5,537	7,822	5,537
<b>Total unrestricted funds</b>	20	<b>19,152</b>	14,769	<b>19,152</b>	14,769
<b>Total charity funds</b>	20	<b>19,213</b>	<b>17,369</b>	<b>19,213</b>	<b>17,369</b>

The turnover for the charity was £28.8m (2016: £28.8m) and the net movement in funds in the charity was £1.8m (2016: £1.2m). A charity SOFA appears at the back of these accounts.

These financial statements were approved and signed on behalf of the Trustees on 7 June 2018. The notes on pages 36 to 55 form part of these financial statements.

**Stuart Secker**  
Treasurer

## Consolidated statement of cash flows

Year ended 31 December 2017

	Note	2017 £'000	2016 £'000
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	A	322	790
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		207	278
Proceeds from the sale of property, plant and equipment		337	146
Purchase of intangible assets		(350)	(122)
Purchase of property, plant and equipment		(136)	(92)
Proceeds from sale of investments		4,878	4,515
Purchase of investments		(5,021)	(4,676)
Net cash provided by (used in) investing activities		(85)	49
<b>Cash flows from financing activities:</b>			
		-	-
<b>Change in cash and cash equivalents in the reporting period</b>			
Cash and cash equivalents as at 1 January	B	3,656	2,802
Change in cash and cash equivalents due to exchange rate movements		(7)	15
Cash and cash equivalents as at 31 December	B	3,886	3,656
<b>A. Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>			
Net income/expenditure for the reporting period (as per the statement of financial activities)		1,851	1,196
Adjustments for:			
Depreciation changes		420	506
Gains on investments		(1,801)	(1,704)
Dividends and interest from investments		(207)	(278)
Profit on the sale of fixed assets		(121)	(130)
Decrease/(Increase) in debtors		(857)	836
Increase/(Decrease) in creditors		1,037	364
Net cash provided by (used in) operating activities		322	790
<b>B Analysis of cash and cash equivalents</b>			
Cash in hand		1,886	1,656
Notice deposits (less than 3 months)		2,000	2,000
Total cash and cash equivalents		3,886	3,656

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 2017

## 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 (FRS 102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities Act 2011, 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.

The Society's volunteer run groups account on a receipts and payments basis with a selection of groups required to submit an 'Agreed upon Procedures Report' (APR) which has been signed off by a Chartered Accountant.

### 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 and 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 rounded to the nearest thousand unless otherwise shown.

### e). Funds

**The different funds are defined as follows**

<b>Endowment funds</b>	<u>Permanent endowment</u> : where a donor specifies only income arising from a donation can be used and the income may also be restricted towards a particular purpose.  <u>Expendable endowment</u> : 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.
<b>Restricted income funds</b>	Restricted income funds are subject to specific restrictions imposed by the donor or by the nature of the appeal.
<b>General funds / Unrestricted funds</b>	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.

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 2. Accounting policies (continued)

#### 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 volunteer run groups 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 2017

### 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 2017

### 3. Geographic split of consolidated results

	UK and England		Scotland		Northern Ireland		Wales/ Cymru		Trading Co.		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>	<b>25,838</b>	<b>25,923</b>	<b>1,402</b>	1,660	<b>1,014</b>	779	<b>316</b>	301	<b>282</b>	360	<b>28,852</b>	29,023
<b>Expenditure on raising funds</b>												
Ongoing	6,230	5,882	326	308	131	135	36	57	96	211	<b>6,819</b>	6,593
New donor acquisition	584	833	4	13	-	2	-	-	-	-	<b>588</b>	848
<b>Charitable activities by goal</b>												
1. Effective treatments	4,216	3,746	83	53	50	23	87	36	-	-	<b>4,436</b>	3,858
2. Responsive care & support	3,826	4,125	360	400	301	322	258	163	-	-	<b>4,745</b>	5,010
3. Preventing MS	815	1,048	-	-	-	-	-	-	-	-	<b>815</b>	1,048
4. Quality information	3,364	3,700	215	223	98	123	117	108	-	-	<b>3,794</b>	4,154
5. A strong community, independent lives	4,473	4,659	519	453	444	398	227	169	-	-	<b>5,663</b>	5,679
6. Supporting families & carers	1,190	1,374	107	115	46	65	60	61	-	-	<b>1,403</b>	1,615
7. Greater certainty about the future	539	726	-	-	-	-	-	-	-	-	<b>539</b>	726
<b>Expenditure</b>	<b>25,237</b>	<b>26,093</b>	<b>1,614</b>	1,565	<b>1,070</b>	1,068	<b>785</b>	594	<b>96</b>	211	<b>28,802</b>	29,531
<b>Net income / (expenditure)</b>	<b>601</b>	(170)	<b>(212)</b>	95	<b>(56)</b>	(289)	<b>(469)</b>	(293)	<b>186</b>	149	<b>50</b>	(508)

The above represents income received at national offices and volunteer run 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 £186k (2016: £149k) excludes inter-company transactions of £32k (2016: £30k).

### 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 volunteer run groups. The Society has a large volunteer run group network who raise and spend money locally to support those affected by MS in their area.

### 5. Analysis of income

<b>Donations:</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Direct marketing	<b>4,758</b>	4,534
Community and events	<b>4,226</b>	4,414
Partnership fundraising	<b>2,433</b>	3,062
Raised locally	<b>2,009</b>	2,068
	<b>13,426</b>	14,078
<b>Legacies</b>	<b>11,545</b>	11,233
<b>Charitable activities</b>		
Charges made by the volunteer run group network to people affected by MS	<b>315</b>	286
Statutory sources	<b>182</b>	-
Other fees and grants	<b>453</b>	501
	<b>950</b>	787



## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 5. Analysis of income (continued)

	2017	2016
	£'000	£'000
<b>Other trading activities</b>		
MSS (Trading) Limited	282	360
Raffles, lotteries and similar	374	611
Sale of donated goods	390	482
Fundraising events organised at main national office	1,019	548
Other (local fundraising events organised by volunteer run groups and rent received)	538	516
	<b>2,603</b>	<b>2,517</b>
<b>Investment income</b>		
Dividend income receivable	201	226
Interest receivable	6	52
	<b>207</b>	<b>278</b>
Other income (relates to the profit on the sale of fixed assets)	121	130
<b>Total income</b>	<b>28,852</b>	<b>29,023</b>

### 6. Expenditure

	Direct Costs		Support Costs Apportioned		Total	
	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds - Ongoing	5,682	5,544	1,137	1,049	6,819	6,593
Raising funds - New donor acquisition	510	757	78	91	588	848
1. Effective treatments	3,953	3,510	483	348	4,436	3,858
2. Responsive care & support	4,010	4,274	735	736	4,745	5,010
3. Preventing MS	755	1,007	60	41	815	1,048
4. Quality information	3,187	3,514	607	640	3,794	4,154
5. A strong community, independent lives	4,778	4,802	885	877	5,663	5,679
6. Supporting families & carers	1,193	1,365	210	250	1,403	1,615
7. Greater certainty about the future	496	682	43	44	539	726
	<b>24,564</b>	<b>25,455</b>	<b>4,238</b>	<b>4,076</b>	<b>28,802</b>	<b>29,531</b>

Direct costs include grant expenditure to individuals and institutions - see note 7 for a breakdown of grants.

#### Analysis of support costs apportioned

	Governance <sup>2</sup>		Management <sup>2</sup>		HR Costs <sup>1</sup>		Finance <sup>2</sup>		IT Support <sup>1</sup>		Facilities <sup>1</sup>		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds	81	60	117	102	177	181	218	164	329	312	215	230	1,137	1,049
New donor acquisition	8	8	12	14	9	11	21	23	17	20	11	15	78	91
1. Effective treatments	39	26	59	44	68	52	110	70	125	90	82	66	483	348
2. Responsive care & support	39	42	59	72	129	126	109	117	241	218	158	161	735	736
3. Preventing MS	7	6	10	10	6	2	19	17	11	3	7	3	60	41
4. Quality information	36	37	54	63	102	110	101	100	190	190	124	140	607	640
5. A strong community, independent lives	42	53	62	91	163	147	117	146	303	253	198	187	885	877
6. Supporting families & carers	11	14	16	25	37	43	30	40	70	74	46	54	210	250
7. Greater certainty about the future	5	5	7	9	4	4	13	14	8	7	6	5	43	44
<b>Total</b>	<b>268</b>	<b>251</b>	<b>396</b>	<b>430</b>	<b>695</b>	<b>676</b>	<b>738</b>	<b>691</b>	<b>1,294</b>	<b>1,167</b>	<b>847</b>	<b>861</b>	<b>4,238</b>	<b>4,076</b>

#### Method of apportionment

<sup>1</sup> Apportioned on the number of full time staff equivalents.

<sup>2</sup> 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 2017

### 6. Expenditure (continued)

#### Analysis of governance costs

	2017 £'000	2016 £'000
Fees payable to the Charity's auditors for the audit of the annual accounts	29	26
Internal audit	61	63
Trustee expenses (Note 8)	5	7
AGM related costs	46	43
Board support related costs	127	112
<b>Total governance costs</b>	<b>268</b>	<b>251</b>

### 7. Grants

Strategic Goals	Research grants	Grants released		Total grant award £'000
		2017 £'000	2016 £'000	
	<b>Department of Health</b>			
1	Simvastatin clinical trial phase 3 (STAT-2) (MS Society contribution to grant between Department of Health and UCL - Dr J Chataway)	1,151	-	1,151
1,3,4,7	<b>International Progressive MS Alliance</b>	728	159	728
	<b>University of Cambridge</b>			
1	Prof RJM Franklin - Cambridge Centre for Myelin Repair Renewal	404	407	1,641
1, 3	Dr M Kotter, FoxO3a and CNS remyelination	79	78	241
1, 3	Prof S Sawcer, Identifying the master regulators of transcription in multiple sclerosis through single cell expression profiling	54	-	297
1	Prof RJM Franklin - Rejuvenating ageing CNS progenitors by partial reprogramming	36	-	109
	Other 2016 grants	-	70	
		573	555	
	<b>University of Edinburgh</b>			
1, 3	Prof S Chandran - The Edinburgh MS Centre for Translational Research	405	391	2,030
1, 3	Dr A Astier, Molecular mech controlling T cell migration	50	-	99
1	Prof C French Constant - Do oligodendroglial cells in demyelinated lesions promote or inhibit axon regeneration?	49	-	242
1, 4	Write backs and other 2016 grants	(1)	165	
		503	556	
	<b>University College London (UCL)</b>			
7	Prof C Wheeler-Kingshott - Advanced MRI to investigate progression in MS	123	-	367
1, 7	Dr E Jury - Understanding the role of lipid-regulated LXR mediated networks in driving pathogenic T cells in people with MS	103	-	201
1	Prof K Smith - Restoring oxygenation to the inflamed CNS	71	-	223
1	Dr J Chataway - STAT2 MRI	54	-	309
1,2,3,4,5	Write backs on three grants and 2016 grants	(50)	405	
		301	405	
	<b>Imperial College London</b>			
1,3,4,7	The UK Multiple Sclerosis and Parkinson's Disease Tissue Bank	262	249	1,264
1, 3	Prof Altmann - Natural killer cells subsets in the pathogenesis & control of MS	37	36	110
1, 3	Write off of 2009 Tissue Bank grant	(66)	-	
1,3,4,7	Six small write offs of old research grants	(26)	-	
		207	285	
	<b>Swansea University</b>			
1,3,4,7	Dr D Ford - UK MS Register Extension 2018	181	-	181
1,3,4,7	Write back on previous MS Register grant and 2016 grants	(26)	732	
		155	732	
	<b>Totals carried forward</b>	<b>3,618</b>	<b>2,692</b>	

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 7. Grants (continued)

Strategic Goals	Research grants	Grants released		Total grant award £'000
		2017 £'000	2016 £'000	
	<b>Research grants released in 2017 brought forward</b>	<b>3,618</b>	<b>2,692</b>	
	<b>Cardiff University</b>			
2	Prof M Busse-Morris - Life-style, Exercise and Activity package for People living with Progressive Multiple Sclerosis	104	-	293
1, 3	Prof N Robertson - Gene expression regulation in CD4+ T-cell dysfunction in multiple sclerosis	40	-	40
1,3,4,7	2016 grants	-	131	
		<b>144</b>	<b>131</b>	
	<b>University of Exeter</b>			
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	54	51	165
2, 4	Dr A Hawton - Ensuring effective treatments are available to people with MS: addressing the value for money issue.	50	-	160
		<b>104</b>	<b>51</b>	
	<b>University of Glasgow</b>			
3	Dr J Edgar, Univ of Glasgow, 3yrs, The myelinic channel in inflammatory disease	67	-	200
1, 3	Prof C Linington - The functional significance of autoantibody-dependent pathomechanisms in pediatric multiple sclerosis	33	-	96
1,2,3,5	2016 grants	-	378	
		<b>100</b>	<b>378</b>	
	<b>University of Leeds</b>			
1,4	Dr A Manzano, CRIMSON - Considering Risk and benefits In Multiple Sclerosis treatment selection	92	-	155
	<b>Via the British Council - (Cambridge University and The Hebrew University of Jerusalem)</b>			
1,3	Dr M Kotter and Prof S Rotshenker - Identifying new ways to repair myelin	66	67	200
	<b>University of Portsmouth</b>			
1,3	Prof A Butt, Targeting GSK3 $\beta$ /Wnt/ $\beta$ -catenin to promote oligodendrocyte regeneration and remyelination	66	-	198
1,3	Write back of old grant and 2016 grant	(7)	62	
		<b>59</b>	<b>62</b>	
	<b>Medical Research Council</b>			
1	Research fellowships	59	59	1,196
1	2016 grant	-	109	
		<b>59</b>	<b>168</b>	
1-7	Other research grants and grant write backs (less than £50k in 2017)	44	1,099	
	<b>Total institutional grants released in 2017 for research</b>	<b>4,286</b>	<b>4,648</b>	
	In house research team and associated support costs	946	1,065	
	<b>Research grants plus research team and associated support costs</b>	<b>5,232</b>	<b>5,713</b>	
	<b>Other grants</b>			
	<b>Other institutional grants</b>	-	26	
	<b>Individual support grants awarded</b>	1,152	1,475	
	Grants team and associated support costs	307	208	
	<b>Individual support grants and associated costs</b>	<b>1,459</b>	<b>1,683</b>	

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 7. Grants (continued)

Grant expenditure by goal (excluding support costs) and creditor	Individual support grants		Research grants		Total	Total
	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Creditor brought forward</b>	106	119	7,569	7,062	<b>7,675</b>	<b>7,181</b>
<u>Grants awarded by goal:</u>						
Goal 1 - Effective treatments	-	-	2,622	2,441	<b>2,622</b>	<b>2,441</b>
Goal 2 - Responsive care and support	865	1,104	203	352	<b>1,068</b>	<b>1,456</b>
Goal 3 - Preventing MS	-	-	608	940	<b>608</b>	<b>940</b>
Goal 4 - Quality information	115	149	508	387	<b>623</b>	<b>536</b>
Goal 5 - A strong community, independent lives	-	-	(20)	57	<b>(20)</b>	<b>57</b>
Goal 6 - Supporting families and carers	172	222	(5)	48	<b>167</b>	<b>270</b>
Goal 7 - Greater certainty about the future	-	-	370	423	<b>370</b>	<b>423</b>
	<b>1,152</b>	<b>1,475</b>	<b>4,286</b>	<b>4,648</b>	<b>5,438</b>	<b>6,123</b>
Payments made	(1,129)	(1,488)	(3,421)	(4,141)	(4,550)	(5,629)
<b>Creditor carried forward</b>	<b>129</b>	<b>106</b>	<b>8,434</b>	<b>7,569</b>	<b>8,563</b>	<b>7,675</b>

### 8. Staff and Trustees costs

Total staff emoluments for the year were as follows:

	2017 £'000	2016 £'000
Salaries	10,148	9,509
National insurance	1,067	993
Pension	741	690
Redundancy payments	-	5
	<b>11,956</b>	<b>11,197</b>

Additionally ex gratia payments of £Nil were made to former employees in 2017 (2016: £13k).

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

	Average Head Count	
	2017 Number	2016 Number
Charitable activities	224	231
Generating funds	69	70
Governance	2	2
	<b>295</b>	<b>303</b>

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

	2017 Number	2016 Number
£60,001-£70,000	3	3
£70,001-£80,000	2	-
£80,001-£90,000	2	5
£90,001-£100,000	4	3

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 £98k (2016: £85k) for these employees.

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 8. Staff and Trustees costs (continued)

#### Employee benefits paid to key management personnel

Key management personnel consist of the Trustees plus executive directors. The total amount of employee benefits to 6 (2016: 7) key management personnel in 2017 amounted to £635k (2016: £701k).

Trustees recognise the need to attract the breadth and depth of expertise required to achieve 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 2017 amounted to £144k (2016: £140k).

#### 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 (2016: £nil). Expenses paid to the Trustees in the year totalled £5k (2016: £8k). These expenses were made up of 5 Trustees reimbursed for their travel expenses of £4k (2016: £4k) and accommodation £1k (2016: £4k).

Additionally Trustees and related parties gave donations of £248k (excluding Gift Aid) to the MS Society in 2017 (£127k in 2016).

### 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.

### 10. Net movements in funds

	2017	2016
	£'000	£'000
Net movement in funds is arrived at after charging:		
Depreciation of intangible and tangible fixed assets	420	506
Profit on disposal of fixed assets	121	130
Fees payable to the Charity's auditors for the audit of the Charity's annual accounts	26	26
Fees payable to the Charity's auditors for other services to the group:		
- The audit of the charity's subsidiary pursuant to legislation	3	3
- Other non audit services	1	1

### 11. Related party transactions

Transactions with MSS (Trading) Limited - subsidiary:	2017	2016
	£	£
Balance brought forward - owed by MSS (Trading) Limited to the charity	132,142	211,622
Prior year Gift Aided profits remitted to the charity	(119,407)	(153,641)
Monies relating to MSS (Trading) Limited received/paid by the charity (net)	2,625	(54,828)
Monies relating to the charity received/paid by MSS (Trading) Limited (net)	(31,204)	(21,918)
Use of logo charge and management fee charged by the charity to MSS (Trading) Limited	31,500	31,500
Current year profits of MSS (Trading) Limited	154,409	119,407
Amount owing from MSS (Trading) Limited to the charity	<b>170,065</b>	<b>132,142</b>

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 12. Intangible Fixed Assets

#### Consolidated and Charity

	2017	2016
	£'000	£'000
<b>Cost</b>		
Balance at 1 January	782	660
Additions	350	122
<b>Balance at 31 December</b>	<b>1,132</b>	<b>782</b>
<b>Accumulated depreciation</b>		
Balance at 1 January	571	454
Charge for year	94	117
<b>Balance at 31 December</b>	<b>665</b>	<b>571</b>
<b>Net book value at 31 December</b>	<b>467</b>	<b>211</b>

Intangible assets relate to computer software and website costs. Amortisation costs are included as support costs (IT costs) and apportioned accordingly (see note 6).

### 13. Tangible Fixed Assets

#### Consolidated and Charity

	Freehold, Land and Buildings		Leasehold Property		Computers		Fixtures		Motor Vehicles		Total	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000	2017 £'000	2016 £'000
<b>Cost</b>												
Balance at 1 January	6,662	6,701	1,366	1,351	574	580	2,611	2,604	2,543	2,846	13,756	14,082
Additions	-	-	-	-	4	11	29	43	103	38	136	92
Disposals	(331)	(20)	(20)	-	(33)	(13)	(47)	(38)	(158)	(337)	(589)	(408)
Transfers	-	(19)	201	15	-	(4)	(201)	2	-	(4)	-	(10)
<b>Balance at 31 December</b>	<b>6,331</b>	<b>6,662</b>	<b>1,547</b>	<b>1,366</b>	<b>545</b>	<b>574</b>	<b>2,392</b>	<b>2,611</b>	<b>2,488</b>	<b>2,543</b>	<b>13,303</b>	<b>13,756</b>
<b>Accumulated depreciation</b>												
Balance at 1 January	2,180	2,051	609	550	564	580	2,282	2,266	2,433	2,634	8,068	8,081
Charge for year	130	135	30	53	3	1	89	61	74	139	326	389
Disposals	(123)	(4)	(12)	-	(33)	(13)	(46)	(38)	(159)	(337)	(373)	(392)
Transfers	-	(2)	69	6	-	(4)	(69)	(7)	-	(3)	-	(10)
<b>Balance at 31 December</b>	<b>2,187</b>	<b>2,180</b>	<b>696</b>	<b>609</b>	<b>534</b>	<b>564</b>	<b>2,256</b>	<b>2,282</b>	<b>2,348</b>	<b>2,433</b>	<b>8,021</b>	<b>8,068</b>
<b>Net book value at 31 December</b>	<b>4,144</b>	<b>4,482</b>	<b>851</b>	<b>757</b>	<b>11</b>	<b>10</b>	<b>136</b>	<b>329</b>	<b>140</b>	<b>110</b>	<b>5,282</b>	<b>5,688</b>

Transfers represents some holiday homes which had been included under fixtures and fittings.

### 14. Capital commitments

There were no capital commitments as at 31 December 2017 or 31 December 2016.

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 15. Investments

<b>Consolidated and Charity</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Market value at 1 January	14,344	12,479
Acquisitions at cost	5,021	4,676
Disposals at market value	(5,705)	(4,791)
Gains on investment assets	1,801	1,704
<b>Market value at 31 December excluding movement in cash held</b>	<b>15,461</b>	<b>14,068</b>
Movement in cash held	827	276
<b>Market value of investments at 31 December</b>	<b>16,288</b>	<b>14,344</b>

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

<b>Represented by</b>	<b>2017</b>	<b>2016</b>
<b>Assets held at Market Value</b>	<b>£'000</b>	<b>£'000</b>
Investments listed on a Stock Exchange	14,694	13,577
Cash held as part of portfolio	1,594	767
	<b>16,288</b>	<b>14,344</b>

Included within 'Investments listed on a Stock Exchange' are investment assets outside the UK of £9.0m (2016: £6.6m). All other investments are investment assets in the UK.

In addition to the above, short term investments of £2.0m (2016: £2.0m) are held, which comprise of cash equivalents on deposit.

### 16. Financial instruments

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
At the Balance Sheet date the Society held the following:		
Financial assets measured at fair value (quoted investments at market value)	16,288	14,344
Financial assets measured at amortised cost	5,268	4,993
Financial liabilities measured at amortised cost	10,480	9,443
Interest received from financial assets measured at amortised cost	6	52
Financial assets measured at fair value (quoted investments at market value)		
- Income	201	226
- Expenditure	72	65
- Net gains on investment assets	1,801	1,704

### 17. Debtors

	<b>Consolidated</b>		<b>Charity</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Legacy income accrued <sup>1</sup>	1,001	473	1,001	473
Trade debtors	271	123	220	107
Tax and VAT	453	618	453	618
Prepayments and accrued income	1,935	1,572	1,851	1,474
Amounts due from group companies	-	-	170	132
Other debtors	110	127	104	120
	<b>3,770</b>	<b>2,913</b>	<b>3,799</b>	<b>2,924</b>

<sup>1</sup> Not included in the legacy figure above are approximately £4.9m (2016: £4.0m) of legacies where we had received probate but where measurement and/or entitlement was not confirmed at year end.

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 18. Creditors: amounts falling due within one year

	Consolidated		Charity	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Research grants <sup>1</sup>	7,575	7,569	7,575	7,569
Trade creditors	752	711	750	710
Accruals and deferred income <sup>2</sup>	876	590	841	551
Tax and Social Security	321	357	305	352
Other creditors	46	216	46	216
	<b>9,570</b>	<b>9,443</b>	<b>9,517</b>	<b>9,398</b>

<sup>1</sup>The majority of research grants are released a year at a time and, in theory, the full amount of the creditor will be due for payment within 1 year. Movement in grant creditors is now included in note 7 grants.

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 amount authorised but not accrued as expenditure at the year end was £5.6m (2016: £5.9m) - this amount will be funded by future income and the designated fund set up for the appeal.

<sup>2</sup>Accruals and deferred income includes deferred income of £257k (2016:£nil) relating to legacy monies in respect to a life interest. The Society does not have entitlement to these funds until the death of the life interest at which point these monies will be recognised as income. Also, until that point, any interest arising from these funds is passed to the life interest.

### 19. Creditors: amounts falling due after one year

Consolidated and charity	2017 £'000	2016 £'000
Research grants	859	-
Other creditors	51	-
	<b>910</b>	<b>-</b>

The creditor has not been discounted to present value as the adjustment would not be material.

### 20. Statement of funds

	At 1/1/2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and losses £'000	At 31/12/2017 £'000
<b>Consolidated and charity funds</b>						
<b>General Funds</b>	<b>5,537</b>	<b>21,533</b>	<b>(17,709)</b>	<b>(3,324)</b>	<b>1,785</b>	<b>7,822</b>
<b><u>Designated Funds</u></b>						
Net book value of intangible and tangible fixed assets held	5,593	-	(412)	272	-	5,453
Research funds <sup>1</sup>	3,639	-	(869)	3,107	-	5,877
<b>Total Designated Funds</b>	<b>9,232</b>	<b>-</b>	<b>(1,281)</b>	<b>3,379</b>	<b>-</b>	<b>11,330</b>
<b>Total Unrestricted Funds</b>	<b>14,769</b>	<b>21,533</b>	<b>(18,990)</b>	<b>55</b>	<b>1,785</b>	<b>19,152</b>
<b>Restricted Funds for research<sup>2</sup></b>						
Edinburgh MS Centre	(425)	29	(546)	-	-	(942)
Simvasatin project	511	141	(1,571)	-	-	(919)
Cambridge Centre Myelin Repair Renewal	(359)	395	(650)	-	-	(614)
International Progressive MS alliance	-	185	(1,021)	-	-	(836)
UK MS Register project	(316)	97	(269)	316	-	(172)
MS Tissue bank	(291)	26	(356)	-	-	(621)
MRI Scanner	(283)	-	-	-	-	(283)
FoxO3a and CNS remyelination <sup>3</sup>	(91)	-	(106)	-	-	(197)
Advanced MRI to investigate progression in MS <sup>4</sup>	-	-	(164)	-	-	(164)
Amount carried forward	(1,254)	873	(4,683)	316	-	(4,748)



## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 20. Statement of funds (continued)

	At 1/1/2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and losses £'000	At 31/12/2017 £'000
Consolidated and charity funds						
Amount brought forward	(1,254)	873	(4,683)	316	-	(4,748)
Research fellowships (MRC)	(69)	-	(79)	-	-	(148)
Lifestyle, Exercise and Activity package for People living with Progressive MS <sup>5</sup>	-	-	(138)	-	-	(138)
Understanding the role of lipid-regulated LXR mediated networks in driving pathogenic T cells in people with MS <sup>4</sup>	-	-	(137)	-	-	(137)
Metabolomic analysis of plasma for highly sensitive staging and monitoring of MS <sup>6</sup>	(125)	-	-	-	-	(125)
CRIMSON - Considering Risk and benefits In Multiple Sclerosis treatment selectiON <sup>7</sup>	-	-	(122)	-	-	(122)
Physical activity and MS (iSTEP-MS)	(115)	-	-	-	-	(115)
Cost of not treating MS with a DMT <sup>8</sup>	(176)	55	(16)	137	-	-
Other specific research funds (all with less than £100k but not > than negative £100k)	(1,036)	258	(1,323)	683	-	(1,418)
Myelin repair research funds	194	13	-	(151)	-	56
Underpinning work on clinical trial <sup>9</sup>	200	-	-	-	-	200
Jacqueline du Pré Tribute Fund <sup>10</sup>	250	899	(260)	-	-	889
General restricted research funds	1,697	2,274	(657)	(985)	-	2,329
<b>Total research restricted funds</b>	<b>(434)</b>	<b>4,372</b>	<b>(7,415)</b>	<b>-</b>	<b>-</b>	<b>(3,477)</b>
Northern Ireland day centre	-	125	(125)	-	-	-
Grants for respite breaks or holidays	-	151	(66)	-	-	85
Other grants to individuals	-	135	(135)	-	-	-
Helpline	-	161	(161)	-	-	-
Wales 'My MS, My Rights, My Choices' (Big Lottery & Masonic Charitable Foundation)	-	128	(128)	-	-	-
Welfare	-	151	(151)	-	-	-
<b>Funds for MS Society volunteer run groups or geographic restrictions<sup>11</sup></b>						
Bournemouth buildings & vehicle	127	43	(17)	-	-	153
Redbridge physiotherapy building	52	61	(63)	-	-	50
Blackpool and Fylde	217	3	(16)	-	-	204
Bradford	72	2	(2)	-	-	72
Caithness	59	-	(2)	-	-	57
Croydon	234	1	(23)	-	-	212
East Kent	13	127	(16)	-	-	124
Harrow	65	1	(4)	-	-	62
Newmarket	351	103	(3)	-	-	451
Rotherham area	96	-	-	-	-	96
Shrewsbury	76	2	(14)	-	-	64
South East Essex	168	4	(32)	(18)	-	122
Southampton	49	78	(29)	-	-	98
Amount carried forward	1,145	5,648	(8,402)	(18)	-	(1,627)

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 20. Statement of funds (continued)

	At 1/1/2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and losses £'000	At 31/12/2017 £'000
<b>Consolidated and charity funds</b>						
Amount brought forward	1,145	5,648	(8,402)	(18)	-	(1,627)
Sefton area (formerly Southport & Formby)	65	-	9	-	-	74
Skipton and Craven	4	115	(7)	-	-	112
Wareham and Purbeck	-	132	(22)	(37)	-	73
Scotland	-	559	(559)	-	-	-
Other sundry restricted funds (<£50,000)	1,087	865	(831)	-	-	1,121
<b>Total restricted income funds</b>	<b>2,301</b>	<b>7,319</b>	<b>(9,812)</b>	<b>(55)</b>	<b>-</b>	<b>(247)</b>
<b>Endowment funds</b>						
area	289	-	-	-	9	298
Derby volunteer run group endowment	10	-	-	-	-	10
<b>Total endowment funds</b>	<b>299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>308</b>
<b>Total funds</b>	<b>17,369</b>	<b>28,852</b>	<b>(28,802)</b>	<b>-</b>	<b>1,794</b>	<b>19,213</b>

Notes on individual funds appear at the bottom of this note.

2016 prior year comparison						
	At 1/1/2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and losses £'000	At 31/12/2016 £'000
<b>Consolidated and charity funds</b>						
<b>General Funds</b>	<b>6,007</b>	<b>21,164</b>	<b>(20,125)</b>	<b>(3,199)</b>	<b>1,690</b>	<b>5,537</b>
<b>Designated Funds</b>						
Net book value of intangible and tangible fixed assets held	5,892	-	(498)	199	-	5,593
Research funds <sup>1</sup>	1,426	-	(787)	3,000	-	3,639
<b>Total Designated Funds</b>	<b>7,318</b>	<b>-</b>	<b>(1,285)</b>	<b>3,199</b>	<b>-</b>	<b>9,232</b>
<b>Total Unrestricted Funds</b>	<b>13,325</b>	<b>21,164</b>	<b>(21,410)</b>	<b>-</b>	<b>1,690</b>	<b>14,769</b>
<b>Restricted Funds for research<sup>2</sup></b>						
Edinburgh MS Centre	8	29	(462)	-	-	(425)
Simvasatin	-	511	-	-	-	511
Cambridge Centre Myelin Repair Renewal	(251)	417	(538)	13	-	(359)
International Progressive MS alliance	-	-	-	-	-	-
UK MS Register project	-	-	(316)	-	-	(316)
MS Tissue bank	-	1	(292)	-	-	(291)
MRI Scanner	-	12	(295)	-	-	(283)
FoxO3a and CNS remyelination <sup>3</sup>	-	-	(91)	-	-	(91)
Advanced MRI to investigate progression in MS <sup>4</sup>	-	-	-	-	-	-
Research fellowships (MRC)	-	-	(69)	-	-	(69)
Lifestyle, Exercise and Activity package for People living with Progressive MS <sup>5</sup>	-	-	-	-	-	-
Understanding the role of lipid-regulated LXR mediated networks in driving pathogenic T cells in people with MS <sup>4</sup>	-	-	-	-	-	-
Amount carried forward	(243)	970	(2,063)	13	-	(1,323)

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 20. Statement of funds (continued)

PRIOR YEAR	At				Other gains	At
Consolidated and charity funds	1/1/2016	Income	Expenditure	Transfers	and losses	31/12/2016
	£'000	£'000	£'000	£'000	£'000	£'000
Amount brought forward	(243)	970	(2,063)	13	-	(1,323)
Metabolomic analysis of plasma for highly sensitive staging and monitoring of MS <sup>4</sup>	-	-	(125)	-	-	(125)
CRIMSON - Considering Risk and benefits In Multiple Sclerosis treatment selectiON <sup>7</sup>	-	-	-	-	-	-
Physical activity and MS (iSTEP-MS)	-	-	(115)	-	-	(115)
Cost of not treating MS with a DMT <sup>3</sup>	-	-	(176)	-	-	(176)
Other specific research funds (all with less than £100k but not > than negative £100k)	76	235	(3,319)	1,972	-	(1,036)
Myelin repair research funds	-	263	(69)	-	-	194
Underpinning work on clinical trial <sup>9</sup>	-	200	-	-	-	200
Jacqueline du Pré Tribute Fund <sup>10</sup>	-	250	-	-	-	250
General restricted research funds	418	3,533	(269)	(1,985)	-	1,697
<b>Total research restricted funds</b>	<b>251</b>	<b>5,451</b>	<b>(6,136)</b>	<b>-</b>	<b>-</b>	<b>(434)</b>
Northern Ireland day centre	-	126	(126)	-	-	-
Grants for respite breaks or holidays	-	-	-	-	-	-
Other grants to individuals	-	144	(144)	-	-	-
Helpline	-	-	-	-	-	-
Wales 'My MS, My Rights, My Choices' (Big Lottery & Masonic Charitable Foundation)	-	-	-	-	-	-
Welfare	5	279	(284)	-	-	-
<b>Funds for MS Society volunteer run groups or geographic restrictions<sup>11</sup></b>						
Bournemouth buildings & vehicle	131	-	(4)	-	-	127
Redbridge physiotherapy building	54	-	(2)	-	-	52
Blackpool and Fylde	84	151	(18)	-	-	217
Bradford	6	66	-	-	-	72
Caithness	-	64	(5)	-	-	59
Croydon	258	21	(45)	-	-	234
East Kent	-	29	(16)	-	-	13
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
Formby)	68	2	(5)	-	-	65
Skipton and Craven	-	12	(8)	-	-	4
Wareham and Purbeck	-	4	(4)	-	-	-
Scotland	-	192	(192)	-	-	-
Other sundry restricted funds (<£50,000)	1,039	1,032	(984)	-	-	1,087
<b>Total restricted income funds</b>	<b>2,563</b>	<b>7,859</b>	<b>(8,121)</b>	<b>-</b>	<b>-</b>	<b>2,301</b>

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 20. Statement of funds (continued)

	At 1/1/2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Other gains and losses £'000	At 31/12/2016 £'000
<b>Consolidated and charity funds</b>						
<b><u>Endowment funds</u></b>						
Borders area	260	-	-	-	29	289
Derby volunteer run group endowment	10	-	-	-	-	10
<b>Total endowment funds</b>	<b>270</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>299</b>
<b>Total funds</b>	<b>16,158</b>	<b>29,023</b>	<b>(29,531)</b>	<b>-</b>	<b>1,719</b>	<b>17,369</b>

<sup>1</sup> The 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.

<sup>2</sup> Expenditure 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 year's 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.

<sup>3</sup> Cost Fox03a and central nervous system remyelination is a research project be undertaken at the University of Cambridge.

<sup>4</sup> Relates to research projects being undertaken by the University College London.

<sup>5</sup> Is a research project being undertaken by Cardiff University.

<sup>6</sup> Metabolomic analysis of plasma for highly sensitive staging and monitoring of MS is a research project being undertaken by the University of Oxford.

<sup>7</sup> Relates to a research project being undertaken by University of Leeds.

<sup>8</sup> Cost of not treating MS with a disease modifying treatment is a research project being undertaken by Swansea University.

<sup>9</sup> Relates to initial work on the clinical trials project erroneously reported in 2016 as relating to 'Vitamin D'.

<sup>10</sup> The late Jacqueline du Pré OBE was a celebrated cellist who had MS. A concert was held in her honour during 2017 with funds going into a tribute fund as part of the Stop MS Appeal.

<sup>11</sup> Geographic 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 volunteer run 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 (2016) between unrestricted and restricted

	Unrestricted funds £'000	Restricted funds £'000	Total Funds £'000
<b>Income from:</b>			
Donations	9,547	4,531	14,078
Legacies receivable	8,816	2,417	11,233
Charitable activities	460	327	787
Other trading activities	1,969	548	2,517
Investment income	265	13	278
Other income	107	23	130
<b>Total income</b>	<b>21,164</b>	<b>7,859</b>	<b>29,023</b>
<b>Expenditure on:</b>			
<b>Raising funds</b>			
Raising funds - Ongoing	5,903	690	6,593
Raising funds - New donor acquisition	848	-	848
<b>Total raising funds expenditure</b>	<b>6,751</b>	<b>690</b>	<b>7,441</b>
<b>Charitable activities</b>			
Goal 1 - Effective treatments	870	2,988	3,858
Goal 2 - Responsive care and Support	3,791	1,219	5,010
Goal 3 - Preventing MS	47	1,001	1,048
Goal 4 - Quality information	3,610	544	4,154
Carried forward	15,069	6,442	21,511

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 21. SOFA split for prior year (2016) between unrestricted and restricted (continued)

	Unrestricted funds £'000	Restricted funds £'000	Total Funds £'000
Brought forward	15,069	6,442	21,511
Goal 5 - A strong community, independent lives	4,696	983	5,679
Goal 6 - Supporting families and carers	1,420	195	1,615
Goal 7 - Greater certainty about the future	225	501	726
<b>Total expenditure</b>	<b>21,410</b>	<b>8,121</b>	<b>29,531</b>
<b>Net income / (expenditure) before investments</b>	<b>(246)</b>	<b>(262)</b>	<b>(508)</b>
Net gains/(losses) on investments	1,675	29	1,704
<b>Net income / (expenditure) after investments</b>	<b>1,429</b>	<b>(233)</b>	<b>1,196</b>
<b>Other recognised gains and losses:</b>			
Other recognised gains and losses:	15	-	15
<b>Net movement in funds</b>	<b>1,444</b>	<b>(233)</b>	<b>1,211</b>

### 22. Analysis of net assets between funds

Fund balances at 31 December are represented by	Unrestricted funds		Restricted & Endowment funds		Total 2017 £'000	Total 2016 £'000
	2017	2016	2017	2016		
	£'000	£'000	£'000	£'000		
Intangible fixed assets	467	211	-	-	467	211
Tangible fixed assets	4,986	5,383	296	305	5,282	5,688
Investments	15,982	14,047	306	297	16,288	14,344
Net current assets	(2,232)	(4,872)	318	1,998	(1,914)	(2,874)
Long term liabilities	(51)	-	(859)	-	(910)	-
	<b>19,152</b>	<b>14,769</b>	<b>61</b>	<b>2,600</b>	<b>19,213</b>	<b>17,369</b>

### 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	2017 £'000	2016 £'000
<b>Retail</b>		
Turnover		
- Sales to MS Society volunteer run groups	1	2
- Sales to third parties	281	360
	<b>282</b>	<b>362</b>
Cost of sales	(92)	(208)
<b>Gross profit</b>	<b>190</b>	<b>154</b>
Administration	(36)	(35)
Interest payable	-	-
<b>Net profit before taxation and Gift Aid</b>	<b>154</b>	<b>119</b>
<b>Gift Aid donation to Multiple Sclerosis Society</b>	<b>(154)</b>	<b>(119)</b>
Taxation	-	-
<b>Retained profit carried forward</b>	<b>-</b>	<b>-</b>

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 23. MSS (Trading) Limited (continued)

Called up share capital	2017 £	2016 £
<b>Authorised:</b> 1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid:</b> 2 ordinary shares of £1 each	2	2

### 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 £741k (2016: £690k). They did not give rise to any provisions/reserves. At the end of the year £1k (2016: £77k) was owed to the pension provider.

#### Defined benefit schemes

At the end of the year £96k (2016: £141k) 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 the group and charity had total operating lease commitments as set out below:

	Land and Buildings	Other	Land and Buildings	Other
	2017 £'000	2017 £'000	2016 £'000	2016 £'000
<b>Operating lease payments due:</b>				
within one year	113	127	159	271
within two to five years	342	161	365	185
over five years	166	-	180	-
	<b>621</b>	<b>288</b>	<b>704</b>	<b>456</b>

Lease payments recognised as an expense were £430k (2016:£415k)

### 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.

Collaborations and financial contributions over £5,000 to the Society were:

	2017 £'000	2016 £'000
Roche Products Ltd	158	15
Biogen Idec Limited	15	45
Teva UK Limited	15	23
Merck Serono Limited	13	-
Novartis Pharmaceuticals (UK) Ltd	9	16
Genzyme, a Sanofi Company	7	18
Coloplast Limited	-	19

Included in Roche Products Limited are £97k given towards the MS register project and £55k given towards the cost of MS research project.

## Notes to Consolidated Accounts (continued)

Year ended 31 December 2017

### 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:

- 11 other MS organisations who are members of the alliance - they represent Belgium, Denmark, Finland, France (2), Germany, Ireland, Netherlands, Norway, Spain and Sweden.
- 10 trusts and foundations members.
- 6 pharmaceutical companies are industry forum members.

## Statement of Financial Activities (SOFA) - charity only

Year ended 31 December 2017

	Note	Unrestricted funds	Restricted funds	2017 Total	2016 Total
	4	£'000	£'000	£'000	£'000
<b>Income from:</b>					
Donations		9,749	3,863	13,612	14,227
Legacies receivable		9,486	2,059	11,545	11,233
Charitable activities		488	462	950	787
Other trading activities		1,387	934	2,321	2,157
Investment income		206	1	207	278
Other income		121	-	121	130
<b>Total income</b>	<b>4</b>	<b>21,437</b>	<b>7,319</b>	<b>28,756</b>	<b>28,812</b>
<b>Expenditure on:</b>	<b>5</b>				
<b>Raising funds</b>					
Raising funds - Ongoing		5,456	1,267	6,723	6,382
Raising funds - New donor acquisition		588	-	588	848
<b>Total raising funds expenditure</b>		<b>6,044</b>	<b>1,267</b>	<b>7,311</b>	<b>7,230</b>
<b>Charitable activities</b>					
Goal 1 - Effective treatments		669	3,767	4,436	3,858
Goal 2 - Responsive care and support		3,913	832	4,745	5,010
Goal 3 - Preventing MS		(80)	895	815	1,048
Goal 4 - Quality information		2,603	1,191	3,794	4,154
Goal 5 - A strong community, independent lives		4,438	1,225	5,663	5,679
Goal 6 - Supporting families and carers		1,275	128	1,403	1,615
Goal 7 - Greater certainty about the future		32	507	539	726
<b>Total expenditure</b>	<b>5</b>	<b>18,894</b>	<b>9,812</b>	<b>28,706</b>	<b>29,320</b>
<b>Net income / (expenditure) before investments</b>		2,543	(2,493)	50	(508)
Net gains/(losses) on investments	13	1,792	9	1,801	1,704
<b>Net income</b>		<b>4,335</b>	<b>(2,484)</b>	<b>1,851</b>	<b>1,196</b>
<b>Transfer between funds</b>		55	(55)	-	-
<b>Other recognised gains and losses:</b>					
Other recognised gains and losses		(7)	-	(7)	15
<b>Net movement in funds</b>		<b>4,383</b>	<b>(2,539)</b>	<b>1,844</b>	<b>1,211</b>



## Thank you

We want to thank all our donors for their generosity. This includes all trusts and corporations, those who 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

Sir David and Lady Bell

John and Vicki Brice

Richard Burns

Will and Jeannie Dawkins

James and Sarah Dawnay

Stephen Edge

Lucy Fuller

Sarah and Nigel Hammond

Tim Jones

The Josephs Family Charitable Trust

The Philip Marsden Family Charitable Trust

The McKeefry Trust

Geoff and Bernadette Milton

Michelle Mitchell

Stuart Secker

Sara Weller

### Special thanks to these donors and supporters

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Roche Products Limited

Russam GMS Ltd

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Sanofi Genzyme

The Schroder Foundation

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The Steel Charitable Trust

The Swire Charitable Trust

The Tailormade

Teva UK Limited

Sir David & Lady Walker Charitable Foundation

The Warshaw Family Charitable Trust

Wazoku

Felix and Hugo White and The Maccabees

Kimberley Wilson

Janis Winehouse and Richard Collins

Nick and Denise Winser

The Charles Wolfson Charitable Trust

## Reference and administrative details

### Founder

**Sir Richard Cave\*** KCVO,  
CB, KCSG, DL

### Vice-President

**John Walford\*** OBE

### Chair

**Nick Winser**

### Vice Chair

**Ruth Hasnip**

### Treasurer

**Stuart Secker**

### Bankers

**Barclays Bank** 1 Churchill  
Place, London E14 5HP

### Auditors

**haysmacintyre** 10 Queen  
Street Place, London EC4R  
1AG

### 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**

8 Finsbury Circus, London,  
EC2M 7AZ

## Key management personnel

### Trustees

**Jason Atkinson**

**Charles Bland**

(until Dec 2017)

**Esther Foreman**

**Christine Gibbons**

**John Grosvenor**

**Ruth Hasnip**

**Dowshan Humzah**

(from March 2018)

**Karen Jones**

**Marion King**

(from Jan 2018)

**Sarah Schol**

(from Jan 2018)

**Stuart Secker**

**Anne Shinkwin**

**Ceri Smith**

**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

**David Prince**

Executive Director of  
People

**Nick Rijke**

Executive Director of Policy  
and Research  
(until June 2017)

\*Deceased

## Country Directors

### Northern Ireland

**Patricia Gordon**

### Cymru / Wales

**Lynne Hughes**

### Scotland

**Morna Simpkins**

## Main Offices

MS Society  
MS National Centre  
372 Edgware Road  
London NW2 6ND  
020 8438 0700

MS Society Cymru  
Temple Court  
Cathedral Road  
Cardiff CF11 9HA  
020 8438 0700

MS Society Northern Ireland  
The Resource Centre  
34 Annadale Avenue  
Belfast BT7 3JJ  
028 90 802 802

MS Society Scotland  
Ratho Park  
88 Glasgow Road  
Ratho Station  
Newbridge EH28 8PP  
0131 335 4050

[www.mssociety.org.uk](http://www.mssociety.org.uk)  
MS Helpline 0808 800 8000

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